

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1007 be amended to read as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
2 paragraph and insert:
3 "SECTION 1. IC 4-10-18-8 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 8. (a) Except as
5 provided in subsection (b), if the balance, at the end of a state fiscal
6 year, in the fund exceeds seven percent (7%) of the total state general
7 fund revenues for that state fiscal year, the excess is appropriated from
8 the fund to the ~~property tax replacement state general~~ fund.
9 ~~established under IC 6-1.1-21.~~ The auditor of state and the treasurer of
10 state shall transfer the amount so appropriated from the fund to the
11 ~~property tax replacement state general~~ fund during the immediately
12 following state fiscal year.
13 (b) If an appropriation is made out of the fund under section 4 of
14 this chapter for a state fiscal year during which a transfer is to be made
15 from the fund to the ~~property tax replacement state general~~ fund
16 **under subsection (a)**, the amount of the appropriation made under
17 subsection (a) shall be reduced by the amount of the appropriation
18 made under section 4 of this chapter. However, the amount of the
19 appropriation made under subsection (a) may not be reduced to less
20 than zero (0)."
21 Page 3, between lines 40 and 41, begin a new paragraph and insert:
22 "SECTION 4. IC 4-24-7-4, AS AMENDED BY P.L.246-2005,
23 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 JANUARY 1, 2008]: Sec. 4. (a) Accounts of state institutions

- 1 described in sections 1 and 3 of this chapter shall be paid as follows:
- 2 (1) All such accounts shall be signed by the superintendent of
- 3 such institution, attested to by the seal of the institution, and
- 4 forwarded to the auditor of the county for payment from which
- 5 county the inmate or patient was admitted.
- 6 (2) All accounts accruing between January 1 and June 30 of each
- 7 year shall be forwarded to the county auditor on or before October
- 8 1 of such year.
- 9 (3) All accounts accruing between July 1 and December 31 of
- 10 each year shall be forwarded to the county auditor on or before
- 11 April 1 of the following year.
- 12 (4) Upon receipt of any such account, the county auditor shall
- 13 draw a warrant on the treasurer of the county for the payment of
- 14 the account, and the same shall be paid out of the funds of the
- 15 county appropriated therefor.
- 16 (5) The county council of each county of the state shall annually
- 17 appropriate sufficient funds to pay such accounts.
- 18 (b) All accounts of state institutions described in section 2 of this
- 19 chapter shall be paid as follows:
- 20 (1) All such accounts shall be signed by the superintendent of the
- 21 institution, attested to by the seal of the institution, and forwarded
- 22 to the auditor of the county for payment from the county from
- 23 which the inmate was admitted.
- 24 (2) All accounts accruing after December 31 and before April 1
- 25 of each year shall be forwarded to the county auditor on or before
- 26 May 15 of that year.
- 27 (3) All accounts accruing after March 31 and before July 1 of
- 28 each year shall be forwarded to the county auditor on or before
- 29 August 15 of that year.
- 30 (4) All accounts accruing after June 30 and before October 1 of
- 31 each year shall be forwarded to the county auditor on or before
- 32 November 15 of that year.
- 33 (5) All accounts accruing after September 30 and before January
- 34 1 of each year, and any reconciliations for previous periods, shall
- 35 be forwarded to the county auditor on or before March 15 of the
- 36 following year.
- 37 (6) Upon receipt of an account, the county auditor shall draw a
- 38 warrant on the treasurer of the county for the payment of the
- 39 account, which shall be paid from the funds of the county that
- 40 were appropriated for the payment.
- 41 (7) The county council of each county shall annually appropriate
- 42 sufficient funds to pay these accounts.
- 43 If a county has not paid an account within six (6) months after the
- 44 account is forwarded under this subsection, the auditor of state shall,
- 45 notwithstanding anything to the contrary in ~~IC 6-1-1-21~~, **IC 6-10-7**,
- 46 reduce the next distribution of **a certified** property tax replacement

1 ~~credits distribution~~ under ~~IC 6-11-21~~ **IC 6-10-7** to the county and
 2 withhold the amount owed on the account. The auditor of state shall
 3 credit the withheld amount to the state general fund for the purpose of
 4 curing the default. The account is then considered paid. A county that
 5 has the county's distribution reduced under this subsection shall apply
 6 the withheld amount only to the county unit's share of the distribution
 7 and may not reduce a distribution to any other civil taxing unit or
 8 school corporation within the county.

9 SECTION 5. IC 4-33-13-5, AS AMENDED BY P.L.91-2006,
 10 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JANUARY 1, 2008]: Sec. 5. (a) This subsection does not apply to tax
 12 revenue remitted by an operating agent operating a riverboat in a
 13 historic hotel district. After funds are appropriated under section 4 of
 14 this chapter, each month the treasurer of state shall distribute the tax
 15 revenue deposited in the state gaming fund under this chapter to the
 16 following:

17 (1) The first thirty-three million dollars (\$33,000,000) of tax
 18 revenues collected under this chapter shall be set aside for
 19 revenue sharing under subsection (e).

20 (2) Subject to subsection (c), twenty-five percent (25%) of the
 21 remaining tax revenue remitted by each licensed owner shall be
 22 paid:

23 (A) to the city that is designated as the home dock of the
 24 riverboat from which the tax revenue was collected, in the case
 25 of:

26 (i) a city described in IC 4-33-12-6(b)(1)(A); or

27 (ii) a city located in a county having a population of more
 28 than four hundred thousand (400,000) but less than seven
 29 hundred thousand (700,000); or

30 (B) to the county that is designated as the home dock of the
 31 riverboat from which the tax revenue was collected, in the case
 32 of a riverboat whose home dock is not in a city described in
 33 clause (A).

34 (3) Subject to subsection (d), the remainder of the tax revenue
 35 remitted by each licensed owner shall be paid to the ~~property tax~~
 36 ~~replacement state general~~ fund. In each state fiscal year, the
 37 treasurer of state shall make the transfer required by this
 38 subdivision not later than the last business day of the month in
 39 which the tax revenue is remitted to the state for deposit in the
 40 state gaming fund. However, if tax revenue is received by the
 41 state on the last business day in a month, the treasurer of state
 42 may transfer the tax revenue to the ~~property tax replacement state~~
 43 ~~general~~ fund in the immediately following month.

44 (b) This subsection applies only to tax revenue remitted by an
 45 operating agent operating a riverboat in a historic hotel district. After
 46 funds are appropriated under section 4 of this chapter, each month the

1 treasurer of state shall distribute the tax revenue deposited in the state
2 gaming fund under this chapter as follows:

3 (1) Thirty-seven and one-half percent (37.5%) shall be paid to the
4 **property tax replacement state general fund. established under**
5 **IC 6-1.1-21.**

6 (2) Thirty-seven and one-half percent (37.5%) shall be paid to the
7 West Baden Springs historic hotel preservation and maintenance
8 fund established by IC 36-7-11.5-11(b). However, at any time the
9 balance in that fund exceeds twenty million dollars
10 (\$20,000,000), the amount described in this subdivision shall be
11 paid to the **property tax replacement state general fund.**
12 **established under IC 6-1.1-21.**

13 (3) Five percent (5%) shall be paid to the historic hotel
14 preservation commission established under IC 36-7-11.5.

15 (4) Ten percent (10%) shall be paid in equal amounts to each
16 town that:

17 (A) is located in the county in which the riverboat docks; and

18 (B) contains a historic hotel.

19 The town council shall appropriate a part of the money received
20 by the town under this subdivision to the budget of the town's
21 tourism commission.

22 (5) Ten percent (10%) shall be paid to the county treasurer of the
23 county in which the riverboat is docked. The county treasurer
24 shall distribute the money received under this subdivision as
25 follows:

26 (A) Twenty percent (20%) shall be quarterly distributed to the
27 county treasurer of a county having a population of more than
28 thirty-nine thousand six hundred (39,600) but less than forty
29 thousand (40,000) for appropriation by the county fiscal body
30 after receiving a recommendation from the county executive.
31 The county fiscal body for the receiving county shall provide
32 for the distribution of the money received under this clause to
33 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in
34 the county under a formula established by the county fiscal
35 body after receiving a recommendation from the county
36 executive.

37 (B) Twenty percent (20%) shall be quarterly distributed to the
38 county treasurer of a county having a population of more than
39 ten thousand seven hundred (10,700) but less than twelve
40 thousand (12,000) for appropriation by the county fiscal body
41 after receiving a recommendation from the county executive.
42 The county fiscal body for the receiving county shall provide
43 for the distribution of the money received under this clause to
44 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in
45 the county under a formula established by the county fiscal
46 body after receiving a recommendation from the county

1 executive.

2 (C) Sixty percent (60%) shall be retained by the county where
 3 the riverboat is docked for appropriation by the county fiscal
 4 body after receiving a recommendation from the county
 5 executive. The county fiscal body shall provide for the
 6 distribution of part or all of the money received under this
 7 clause to the following under a formula established by the
 8 county fiscal body:

9 (i) A town having a population of more than two thousand
 10 two hundred (2,200) but less than three thousand five
 11 hundred (3,500) located in a county having a population of
 12 more than nineteen thousand three hundred (19,300) but less
 13 than twenty thousand (20,000).

14 (ii) A town having a population of more than three thousand
 15 five hundred (3,500) located in a county having a population
 16 of more than nineteen thousand three hundred (19,300) but
 17 less than twenty thousand (20,000).

18 (c) For each city and county receiving money under subsection
 19 (a)(2), the treasurer of state shall determine the total amount of money
 20 paid by the treasurer of state to the city or county during the state fiscal
 21 year 2002. The amount determined is the base year revenue for the city
 22 or county. The treasurer of state shall certify the base year revenue
 23 determined under this subsection to the city or county. The total
 24 amount of money distributed to a city or county under this section
 25 during a state fiscal year may not exceed the entity's base year revenue.
 26 For each state fiscal year, the treasurer of state shall pay that part of the
 27 riverboat wagering taxes that:

28 (1) exceeds a particular city's or county's base year revenue; and
 29 (2) would otherwise be due to the city or county under this
 30 section;

31 to the ~~property tax replacement~~ **state general** fund instead of to the city
 32 or county.

33 (d) Each state fiscal year the treasurer of state shall transfer from the
 34 tax revenue remitted to the ~~property tax replacement~~ **state general** fund
 35 under subsection (a)(3) to the build Indiana fund an amount that when
 36 added to the following may not exceed two hundred fifty million
 37 dollars (\$250,000,000):

38 (1) Surplus lottery revenues under IC 4-30-17-3.

39 (2) Surplus revenue from the charity gaming enforcement fund
 40 under IC 4-32.2-7-7.

41 (3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

42 The treasurer of state shall make transfers on a monthly basis as needed
 43 to meet the obligations of the build Indiana fund. If in any state fiscal
 44 year insufficient money is transferred to the ~~property tax replacement~~
 45 **state general** fund under subsection (a)(3) to comply with this
 46 subsection, the treasurer of state shall reduce the amount transferred to

the build Indiana fund to the amount available in the **property tax replacement state general** fund from the transfers under subsection (a)(3) for the state fiscal year.

(e) Before August 15 of each year, the treasurer of state shall distribute the wagering taxes set aside for revenue sharing under subsection (a)(1) to the county treasurer of each county that does not have a riverboat according to the ratio that the county's population bears to the total population of the counties that do not have a riverboat. Except as provided in subsection (h), the county auditor shall distribute the money received by the county under this subsection as follows:

(1) To each city located in the county according to the ratio the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be retained by the county.

(f) Money received by a city, town, or county under subsection (e) or (h) may be used for any of the following purposes:

(1) To reduce the property tax levy of the city, town, or county for a particular year (a property tax reduction under this subdivision does not reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5).

(2) For deposit in a special fund or allocation fund created under IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and IC 36-7-30 to provide funding for additional credits for property tax replacement in property tax increment allocation areas or debt repayment.

(3) To fund sewer and water projects, including storm water management projects.

(4) For police and fire pensions.

(5) To carry out any governmental purpose for which the money is appropriated by the fiscal body of the city, town, or county. Money used under this subdivision does not reduce the property tax levy of the city, town, or county for a particular year or reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5.

(g) This subsection does not apply to an entity receiving money under IC 4-33-12-6(c). Before September 15 of each year, the treasurer of state shall determine the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year. If the treasurer of state determines that the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year was less than the entity's base year revenue (as determined under IC 4-33-12-6), the treasurer of state shall make a supplemental distribution to the entity from taxes collected under this chapter and

deposited into the ~~property tax replacement state general~~ fund. The amount of the supplemental distribution is equal to:

- (1) the entity's base year revenue (as determined under IC 4-33-12-6); minus
- (2) the sum of:
 - (A) the total amount of money distributed to the entity during the preceding state fiscal year under IC 4-33-12-6; plus
 - (B) any amounts deducted under IC 6-3.1-20-7.

(h) This subsection applies only to a county containing a consolidated city. The county auditor shall distribute the money received by the county under subsection (e) as follows:

- (1) To each city, other than a consolidated city, located in the county according to the ratio that the city's population bears to the total population of the county.
- (2) To each town located in the county according to the ratio that the town's population bears to the total population of the county.
- (3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be paid in equal amounts to the consolidated city and the county.

SECTION 6. IC 5-4-1-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 20. (a) A person elected to the office of prosecuting attorney shall execute an individual surety bond for the faithful performance of the duties of the office. The amount of the bond must be at least eight thousand five hundred dollars (\$8,500).

(b) A person elected to the office of prosecuting attorney may not take office until that person has filed a bond:

- (1) in the office of the county recorder of the county in which the person resides; and
- (2) within ten (10) days after the bond is issued.

(c) The cost of a bond shall be paid by the county. ~~For multiple county judicial circuits, the cost shall be paid by each county in the judicial circuit in the manner provided by IC 33-38-5-3.~~

(d) A bond must be:

- (1) executed by the person elected prosecuting attorney and one (1) or more freehold sureties; and
- (2) payable to the state as provided in section 10 of this chapter.

(e) A bond is not void on first recovery, and suits may be brought on the bond until the penalty is exhausted.

(f) If a bond has been legally certified, any of the following have the same effect in evidence as the bond:

- (1) A copy of the bond.
- (2) A record of the bond.
- (3) A copy of a record of the bond.

(g) The county recorder of the county in which the person elected prosecuting attorney resides shall record the bond in an official bond register.

SECTION 7. IC 5-13-6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. (a) All taxes collected by the county treasurer shall be deposited as one (1) fund in the several depositories selected for the deposit of county funds and, except as provided in subsection (b), remain in the depositories until distributed at the following semiannual distribution made by the county auditor.

(b) Every county treasurer who, by virtue of the treasurer's office, is the collector of any taxes for any political subdivision wholly or partly within the county shall, not later than thirty (30) days after receipt of a written request for funds filed with the treasurer by a proper officer of any political subdivision within the county, advance to that political subdivision a portion of the taxes collected before the semiannual distribution. The amount advanced may not exceed the lesser of:

(1) ninety-five percent (95%) of the total amount collected at the time of the advance; or

(2) ninety-five percent (95%) of the amount to be distributed at the semiannual distribution.

(c) Every county treasurer shall, not later than thirty (30) days after receipt of a written request for funds filed with the treasurer by a proper officer of any political subdivision within the county, advance to that political subdivision a part of the distributions received under ~~IC 6-1.1-21-10~~ **IC 6-10-7** from the **property tax replacement state general** fund for the political subdivision. The amount advanced may not exceed the lesser of:

(1) ninety-five percent (95%) of the amount distributed from the fund to the county treasurer for the political subdivision at the time of the advance; or

(2) ninety-five percent (95%) of the total amount to be distributed by the county treasurer to the political subdivision on the next scheduled distribution date.

(d) Upon notice from the county treasurer of the amount to be advanced, the county auditor shall draw a warrant upon the county treasurer for the amount. The amount of the advance must be available immediately for the use of the political subdivision.

(e) At the semiannual distribution all the advances made to any political subdivision under subsection (b) or (c) shall be deducted from the total amount due any political subdivision as shown by the distribution."

Page 11, line 36, strike "distributions from the property tax".

Page 11, line 37, strike "replacement fund or".

Page 11, line 39, strike, "IC 6-1.1-21-4(b)," and insert "**IC 6-10-7**".

Page 12, line 2, strike, "IC 6-1.1-21-4(b)" and insert "**IC 6-10-7**".

Page 12, between lines 12 and 13, begin a new paragraph and insert:

"SECTION 12. IC 6-1.1-4-35, AS AMENDED BY P.L.88-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 35. (a) This section applies to a county other

1 than a county subject to section 32 of this chapter.

2 (b) This section applies to a general reassessment of real property
3 conducted under section 4(a) of this chapter that is scheduled to
4 become effective for property taxes first due and payable in 2003.

5 (c) As used in this section, "department" refers to the department of
6 local government finance.

7 (d) As used in this section, "reassessment official" means:

8 (1) a county assessor; or

9 (2) a township assessor.

10 (e) If:

11 (1) the department determines that a county's reassessment
12 officials are unable to complete the reassessment in a timely
13 manner; or

14 (2) the department determines that a county's reassessment
15 officials are likely to complete the reassessment in an inaccurate
16 manner;

17 the department may order a state conducted reassessment in the county.
18 The department may consider a reassessment in a county untimely if
19 the county does not submit the county's equalization study to the
20 department in the manner prescribed under 50 IAC 14 before October
21 20, 2003. The department may consider the reassessment work of a
22 county's reassessment officials inaccurate if the department determines
23 from a sample of the assessments completed in the county that there is
24 a variance exceeding ten percent (10%) between the total assessed
25 valuation of the real property within the sample and the total assessed
26 valuation that would result if the real property within the sample were
27 valued in the manner provided by law.

28 (f) If the department orders a state conducted reassessment in a
29 county, the department shall assume the duties of the county's
30 reassessment officials. Notwithstanding sections 15 and 17 of this
31 chapter, a reassessment official in a county subject to an order issued
32 under this section may not assess property or have property assessed
33 for the general reassessment. Until the state conducted reassessment is
34 completed under this section, the reassessment duties of a reassessment
35 official in the county are limited to providing the department or a
36 contractor of the department the support and information requested by
37 the department or the contractor.

38 (g) Before assuming the duties of a county's reassessment officials,
39 the department shall transmit a copy of the department's order requiring
40 a state conducted reassessment to the county's reassessment officials,
41 the county fiscal body, the county auditor, and the county treasurer.
42 Notice of the department's actions must be published one (1) time in a
43 newspaper of general circulation published in the county. If no
44 newspaper is published in the county, the notice shall be published in
45 a newspaper:

46 (1) of general circulation in the county; and

1 (2) that is published in an adjacent county.

2 The department is not required to conduct a public hearing before
3 taking action under this section.

4 (h) Township and county officials in a county subject to an order
5 issued under this section shall, at the request of the department or the
6 department's contractor, make available and provide access to all:

- 7 (1) data;
- 8 (2) records;
- 9 (3) maps;
- 10 (4) parcel record cards;
- 11 (5) forms;
- 12 (6) computer software systems;
- 13 (7) computer hardware systems; and
- 14 (8) other information;

15 related to the reassessment of real property in the county. The
16 information described in this subsection must be provided at no cost to
17 the department or the contractor of the department. A failure to provide
18 information requested under this subsection constitutes a failure to
19 perform a duty related to a general reassessment and is subject to
20 IC 6-1.1-37-2.

21 (i) The department may enter into a contract with a professional
22 appraising firm to conduct a reassessment under this section. If a
23 county or a township located in the county entered into a contract with
24 a professional appraising firm to conduct the county's reassessment
25 before the department orders a state conducted reassessment in the
26 county under this section, the contract:

- 27 (1) is as valid as if it had been entered into by the department; and
- 28 (2) shall be treated as the contract of the department.

29 (j) After receiving the report of assessed values from the appraisal
30 firm acting under a contract described in subsection (i), the department
31 shall give notice to the taxpayer and the county assessor, by mail, of the
32 amount of the reassessment. The notice of reassessment:

- 33 (1) is subject to appeal by the taxpayer under section 37 of this
34 chapter; and
- 35 (2) must include a statement of the taxpayer's rights under section
36 37 of this chapter.

37 (k) The department shall forward a bill for services provided under
38 a contract described in subsection (i) to the auditor of the county in
39 which the state conducted reassessment occurs. The county shall pay
40 the bill under the procedures prescribed by subsection (l).

41 (l) A county subject to an order issued under this section shall pay
42 the cost of a contract described in subsection (i), without appropriation,
43 from the county's property reassessment fund. A contractor may
44 periodically submit bills for partial payment of work performed under
45 the contract. Notwithstanding any other law, a contractor is entitled to
46 payment under this subsection for work performed under a contract if

- 1 the contractor:
- 2 (1) submits to the department a fully itemized, certified bill in the
- 3 form required by IC 5-11-10-1 for the costs of the work performed
- 4 under the contract;
- 5 (2) obtains from the department:
- 6 (A) approval of the form and amount of the bill; and
- 7 (B) a certification that the billed goods and services have been
- 8 received and comply with the contract; and
- 9 (3) files with the county auditor:
- 10 (A) a duplicate copy of the bill submitted to the department;
- 11 (B) proof of the department's approval of the form and amount
- 12 of the bill; and
- 13 (C) the department's certification that the billed goods and
- 14 services have been received and comply with the contract.
- 15 The department's approval and certification of a bill under subdivision
- 16 (2) shall be treated as conclusively resolving the merits of a contractor's
- 17 claim. Upon receipt of the documentation described in subdivision (3),
- 18 the county auditor shall immediately certify that the bill is true and
- 19 correct without further audit, publish the claim as required by
- 20 IC 36-2-6-3, and submit the claim to the county executive. The county
- 21 executive shall allow the claim, in full, as approved by the department,
- 22 without further examination of the merits of the claim in a regular or
- 23 special session that is held not less than three (3) days and not more
- 24 than seven (7) days after the completion of the publication
- 25 requirements under IC 36-2-6-3. Upon allowance of the claim by the
- 26 county executive, the county auditor shall immediately issue a warrant
- 27 or check for the full amount of the claim approved by the department.
- 28 Compliance with this subsection constitutes compliance with section
- 29 28.5 of this chapter, IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The
- 30 determination and payment of a claim in compliance with this
- 31 subsection is not subject to remonstrance and appeal. IC 36-2-6-4(f)
- 32 and IC 36-2-6-9 do not apply to a claim submitted under this
- 33 subsection. IC 5-11-10-1.6(d) applies to a fiscal officer who pays a
- 34 claim in compliance with this subsection.
- 35 (m) Notwithstanding IC 4-13-2, a period of seven (7) days is
- 36 permitted for each of the following to review and act under IC 4-13-2
- 37 on a contract of the department entered into under this section:
- 38 (1) The commissioner of the Indiana department of
- 39 administration.
- 40 (2) The director of the budget agency.
- 41 (3) The attorney general.
- 42 (n) If the money in a county's property reassessment fund is
- 43 insufficient to pay for a reassessment conducted under this section, the
- 44 department may increase the tax rate and tax levy of the county's
- 45 property reassessment fund to pay the cost and expenses related to the
- 46 reassessment.

(o) The department or the contractor of the department shall use the land values determined under section 13.6 of this chapter for a county subject to an order issued under this section to the extent that the department or the contractor finds that the land values reflect the true tax value of land, as determined under this article and the rules of the department. If the department or the contractor finds that the land values determined for the county under section 13.6 of this chapter do not reflect the true tax value of land, the department or the contractor shall determine land values for the county that reflect the true tax value of land, as determined under this article and the rules of the department. Land values determined under this subsection shall be used to the same extent as if the land values had been determined under section 13.6 of this chapter. The department or the contractor of the department shall notify the county's reassessment officials of the land values determined under this subsection.

(p) A contractor of the department may notify the department if:

(1) a county auditor fails to:

(A) certify the contractor's bill;

(B) publish the contractor's claim;

(C) submit the contractor's claim to the county executive; or

(D) issue a warrant or check for payment of the contractor's bill;

as required by subsection (l) at the county auditor's first legal opportunity to do so;

(2) a county executive fails to allow the contractor's claim as legally required by subsection (l) at the county executive's first legal opportunity to do so; or

(3) a person or an entity authorized to act on behalf of the county takes or fails to take an action, including failure to request an appropriation, and that action or failure to act delays or halts progress under this section for payment of the contractor's bill.

(q) The department, upon receiving notice under subsection (p) from a contractor of the department, shall:

(1) verify the accuracy of the contractor's assertion in the notice that:

(A) a failure occurred as described in subsection (p)(1) or (p)(2); or

(B) a person or an entity acted or failed to act as described in subsection (p)(3); and

(2) provide to the treasurer of state the department's approval under subsection (l)(2)(A) of the contractor's bill with respect to which the contractor gave notice under subsection (p).

(r) Upon receipt of the department's approval of a contractor's bill under subsection (q), the treasurer of state shall pay the contractor the amount of the bill approved by the department from money in the possession of the state that would otherwise be available for

1 distribution to the county, including distributions from the property tax
2 replacement fund or distribution of admissions taxes or wagering taxes.

3 (s) The treasurer of state shall withhold from the money that would
4 be distributed under IC 4-33-12-6, IC 4-33-13-5, ~~IC 6-1.1-21-4(b)~~ or
5 any other law to a county described in a notice provided under
6 subsection (p) the amount of a payment made by the treasurer of state
7 to the contractor of the department under subsection (r). ~~Money shall~~
8 ~~be withheld first from the money payable to the county under~~
9 ~~IC 6-1.1-21-4(b) and then from all other sources payable to the county.~~

10 (t) Compliance with subsections (p) through (s) constitutes
11 compliance with IC 5-11-10.

12 (u) IC 5-11-10-1.6(d) applies to the treasurer of state with respect
13 to the payment made in compliance with subsections (p) through (s).
14 This subsection and subsections (p) through (s) must be interpreted
15 liberally so that the state shall, to the extent legally valid, ensure that
16 the contractual obligations of a county subject to this section are paid.
17 Nothing in this section shall be construed to create a debt of the state.

18 (v) The provisions of this section are severable as provided in
19 IC 1-1-1-8(b).

20 (w) This section expires January 1, 2007."

21 Page 14, between lines 4 and 5, begin a new paragraph and insert:

22 "SECTION 14. IC 6-1.1-12-37, AS AMENDED BY P.L.162-2006,
23 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 JANUARY 1, 2008]: Sec. 37. (a) Each year a person who is entitled to
25 receive the homestead credit provided under ~~IC 6-1.1-20-9~~ **IC 6-10-4**
26 for property taxes payable in the following year is entitled to a standard
27 deduction from the assessed value of the real property, mobile home
28 not assessed as real property, or manufactured home not assessed as
29 real property that qualifies for the homestead credit. The auditor of the
30 county shall record and make the deduction for the person qualifying
31 for the deduction.

32 (b) Except as provided in section 40.5 of this chapter, the total
33 amount of the deduction that a person may receive under this section
34 for a particular year is the lesser of:

35 (1) one-half (1/2) of the assessed value of the real property,
36 mobile home not assessed as real property, or manufactured home
37 not assessed as real property; or

38 (2) for property taxes first due and payable:

39 (A) before January 1, 2007, thirty-five thousand dollars
40 (\$35,000);

41 (B) after December 31, 2006, and before January 1, 2008,
42 forty-five thousand dollars (\$45,000); and

43 (C) after December 31, 2007, thirty-five thousand dollars
44 (\$35,000).

45 (c) A person who has sold real property, a mobile home not assessed
46 as real property, or a manufactured home not assessed as real property

to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section with respect to that real property, mobile home, or manufactured home.

SECTION 15. IC 6-1.1-12-43 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 43. (a) For purposes of this section:

(1) "benefit" refers to:

(A) a deduction under section 1, 9, 11, 13, 14, 16, 17.4, 26, 29, 31, 33, or 34 of this chapter; or

(B) the homestead credit under ~~IC 6-1.1-20.9-2~~; **IC 6-10-4**;

(2) "closing agent" means a person that closes a transaction;

(3) "customer" means an individual who obtains a loan in a transaction; and

(4) "transaction" means a single family residential:

(A) first lien purchase money mortgage transaction; or

(B) refinancing transaction.

(b) Before closing a transaction after December 31, 2004, a closing agent must provide to the customer the form referred to in subsection (c).

(c) Before June 1, 2004, the department of local government finance shall prescribe the form to be provided by closing agents to customers under subsection (b). The department shall make the form available to closing agents, county assessors, county auditors, and county treasurers in hard copy and electronic form. County assessors, county auditors, and county treasurers shall make the form available to the general public. The form must:

(1) on one (1) side:

(A) list each benefit;

(B) list the eligibility criteria for each benefit; and

(C) indicate that a new application for a deduction under section 1 of this chapter is required when residential real property is refinanced;

(2) on the other side indicate:

(A) each action by; and

(B) each type of documentation from;

the customer required to file for each benefit; and

(3) be printed in one (1) of two (2) or more colors prescribed by the department of local government finance that distinguish the form from other documents typically used in a closing referred to in subsection (b).

(d) A closing agent:

(1) may reproduce the form referred to in subsection (c);

(2) in reproducing the form, must use a print color prescribed by the department of local government finance; and

(3) is not responsible for the content of the form referred to in subsection (c) and shall be held harmless by the department of local government finance from any liability for the content of the form.

(e) A closing agent to which this section applies shall document its compliance with this section with respect to each transaction in the form of verification of compliance signed by the customer.

(f) A closing agent is subject to a civil penalty of twenty-five dollars (\$25) for each instance in which the closing agent fails to comply with this section with respect to a customer. The penalty:

(1) may be enforced by the state agency that has administrative jurisdiction over the closing agent in the same manner that the agency enforces the payment of fees or other penalties payable to the agency; and

(2) shall be paid into the ~~property tax replacement~~ **state general** fund.

A closing agent is not liable for any other damages claimed by a customer because of the closing agent's mere failure to provide the appropriate document to the customer.

(g) The state agency that has administrative jurisdiction over a closing agent shall:

(1) examine the closing agent to determine compliance with this section; and

(2) impose and collect penalties under subsection (f).

SECTION 16. IC 6-1.1-17-3, AS AMENDED BY P.L.162-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. (a) The proper officers of a political subdivision shall formulate its estimated budget and its proposed tax rate and tax levy on the form prescribed by the department of local government finance and approved by the state board of accounts. The political subdivision shall give notice by publication to taxpayers of:

(1) the estimated budget;

(2) the estimated maximum permissible levy;

(3) the current and proposed tax levies of each fund; and

(4) the amounts of excessive levy appeals to be requested.

In the notice, the political subdivision shall also state the time and place at which a public hearing will be held on these items. The notice shall be published twice in accordance with IC 5-3-1 with the first publication at least ten (10) days before the date fixed for the public hearing. Beginning in 2009, the duties required by this subsection must be completed before August 10 of the calendar year. A political subdivision shall provide the estimated budget and levy information required for the notice under subsection (b) to the county auditor on the schedule determined by the department of local government finance.

(b) Beginning in 2009, before August 10 of a calendar year, the county auditor shall mail to the last known address of each person

1 liable for any property taxes, as shown on the tax duplicate, or to the
2 last known address of the most recent owner shown in the transfer
3 book, a statement that includes:

4 (1) the assessed valuation as of the assessment date in the current
5 calendar year of tangible property on which the person will be
6 liable for property taxes first due and payable in the immediately
7 succeeding calendar year and notice to the person of the
8 opportunity to appeal the assessed valuation under
9 IC 6-1.1-15-1(b);

10 (2) the amount of property taxes for which the person will be
11 liable to each political subdivision on the tangible property for
12 taxes first due and payable in the immediately succeeding
13 calendar year, taking into account all factors that affect that
14 liability, including:

15 (A) the estimated budget and proposed tax rate and tax levy
16 formulated by the political subdivision under subsection (a);

17 (B) any deductions or exemptions that apply to the assessed
18 valuation of the tangible property;

19 (C) any credits that apply in the determination of the tax
20 liability; and

21 (D) the county auditor's best estimate of the effects on the tax
22 liability that might result from actions of the county board of
23 tax adjustment or the department of local government finance;

24 (3) a prominently displayed notation that:

25 (A) the estimate under subdivision (2) is based on the best
26 information available at the time the statement is mailed; and

27 (B) based on various factors, including potential actions by the
28 county board of tax adjustment or the department of local
29 government finance, it is possible that the tax liability as
30 finally determined will differ substantially from the estimate;

31 (4) comparative information showing the amount of property
32 taxes for which the person is liable to each political subdivision
33 on the tangible property for taxes first due and payable in the
34 current year; and

35 (5) the date, time, and place at which the political subdivision will
36 hold a public hearing on the political subdivision's estimated
37 budget and proposed tax rate and tax levy as required under
38 subsection (a).

39 (c) The department of local government finance shall:

40 (1) prescribe a form for; and

41 (2) provide assistance to county auditors in preparing;
42 statements under subsection (b). Mailing the statement described in
43 subsection (b) to a mortgagee maintaining an escrow account for a
44 person who is liable for any property taxes shall not be construed as
45 compliance with subsection (b).

46 (d) The board of directors of a solid waste management district

1 established under IC 13-21 or IC 13-9.5-2 (before its repeal) may
2 conduct the public hearing required under subsection (a):

- 3 (1) in any county of the solid waste management district; and
- 4 (2) in accordance with the annual notice of meetings published
- 5 under IC 13-21-5-2.

6 (e) The trustee of each township in the county shall estimate the
7 amount necessary to meet the cost of township assistance in the
8 township for the ensuing calendar year. The township board shall adopt
9 with the township budget a tax rate sufficient to meet the estimated cost
10 of township assistance. The taxes collected as a result of the tax rate
11 adopted under this subsection are credited to the township assistance
12 fund.

13 ~~(f) A county shall adopt with the county budget and the department~~
14 ~~of local government finance shall certify under section 16 of this~~
15 ~~chapter a tax rate sufficient to raise the levy necessary to pay the~~
16 ~~following:~~

17 ~~(1) The cost of child services (as defined in IC 12-19-7-1) of the~~
18 ~~county payable from the family and children's fund;~~

19 ~~(2) The cost of children's psychiatric residential treatment~~
20 ~~services (as defined in IC 12-19-7.5-1) of the county payable from~~
21 ~~the children's psychiatric residential treatment services fund;~~

22 ~~A budget, tax rate, or tax levy adopted by a county fiscal body or~~
23 ~~approved or modified by a county board of tax adjustment that is less~~
24 ~~than the levy necessary to pay the costs described in subdivision (1) or~~
25 ~~(2) shall not be treated as a final budget, tax rate, or tax levy under~~
26 ~~section 11 of this chapter.~~

27 SECTION 17. IC 6-1.1-17-14, AS AMENDED BY P.L.234-2005,
28 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 JANUARY 1, 2008]: Sec. 14. The county auditor shall initiate an
30 appeal to the department of local government finance if the county
31 fiscal body or the county board of tax adjustment reduces

32 ~~(1) a township assistance tax rate below the rate necessary to meet~~
33 ~~the estimated cost of township assistance.~~

34 ~~(2) a family and children's fund tax rate below the rate necessary~~
35 ~~to collect the levy recommended by the department of child~~
36 ~~services; or~~

37 ~~(3) a children's psychiatric residential treatment services fund tax~~
38 ~~rate below the rate necessary to collect the levy recommended by~~
39 ~~the department of child services."~~

40 Page 15, between lines 37 and 38, begin a new paragraph and insert:
41 "SECTION 19. IC 6-1.1-18-3, AS AMENDED BY P.L.2-2006,
42 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
43 JANUARY 1, 2008]: Sec. 3. (a) Except as provided in subsection (b),
44 the sum of all tax rates for all political subdivisions imposed on
45 tangible property within a political subdivision may not exceed:

- 46 (1) forty-one and sixty-seven hundredths cents (\$0.4167) on each

1 one hundred dollars (\$100) of assessed valuation in territory
2 outside the corporate limits of a city or town; or

3 (2) sixty-six and sixty-seven hundredths cents (\$0.6667) on each
4 one hundred dollars (\$100) of assessed valuation in territory
5 inside the corporate limits of a city or town.

6 (b) The proper officers of a political subdivision shall fix tax rates
7 which are sufficient to provide funds for the purposes itemized in this
8 subsection. The portion of a tax rate fixed by a political subdivision
9 shall not be considered in computing the tax rate limits prescribed in
10 subsection (a) if that portion is to be used for one (1) of the following
11 purposes:

12 (1) To pay the principal or interest on a funding, refunding, or
13 judgment funding obligation of the political subdivision.

14 (2) To pay the principal or interest on an outstanding obligation
15 issued by the political subdivision if notice of the sale of the
16 obligation was published before March 9, 1937.

17 (3) To pay the principal or interest upon:

18 (A) an obligation issued by the political subdivision to meet an
19 emergency which results from a flood, fire, pestilence, war, or
20 any other major disaster; or

21 (B) a note issued under IC 36-2-6-18, IC 36-3-4-22,
22 IC 36-4-6-20, or IC 36-5-2-11 to enable a city, town, or county
23 to acquire necessary equipment or facilities for municipal or
24 county government.

25 (4) To pay the principal or interest upon an obligation issued in
26 the manner provided in IC 6-1.1-20-3 (before its repeal) or
27 IC 6-1.1-20-3.1 through IC 6-1.1-20-3.2.

28 (5) To pay a judgment rendered against the political subdivision.

29 ~~(6) To meet the requirements of the family and children's fund for~~
30 ~~child services (as defined in IC 12-19-7-1).~~

31 ~~(7) (6) To meet the requirements of the county hospital care for~~
32 ~~the indigent fund.~~

33 ~~(8) To meet the requirements of the children's psychiatric~~
34 ~~residential treatment services fund for children's psychiatric~~
35 ~~residential treatment services (as defined in IC 12-19-7.5-1).~~

36 (c) Except as otherwise provided in IC 6-1.1-19, IC 6-1.1-18.5,
37 IC 20-45, or IC 20-46, a county board of tax adjustment, a county
38 auditor, or the department of local government finance may review the
39 portion of a tax rate described in subsection (b) only to determine if it
40 exceeds the portion actually needed to provide for one (1) of the
41 purposes itemized in that subsection."

42 Page 15, delete lines 38 through 42.

43 Delete page 16.

44 Page 17, delete lines 1 through 19.

45 Page 18, delete lines 32 through 42, begin a new paragraph and
46 insert:

"SECTION 21. IC 6-1.1-18.5-9.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 9.7. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed under any of the following:

(1) IC 12-16, except IC 12-16-1.

~~(2) IC 12-19-5.~~

~~(3) IC 12-19-7.~~

~~(4) IC 12-19-7.5.~~

~~(5) (2) IC 12-20-24.~~

(3) IC 36-1-18.

(b) For purposes of computing the ad valorem property tax levy limits imposed under section 3 of this chapter, a county's or township's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed under the citations listed in subsection (a).

(c) Section 8(b) of this chapter does not apply to bonded indebtedness that will be repaid through property taxes imposed under IC 12-19."

Page 19, delete lines 1 through 7.

Page 24, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 24. IC 6-1.1-20.4-1, AS ADDED BY P.L.246-2005, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. As used in this chapter, "homestead" has the meaning set forth in ~~IC 6-1.1-20.9-1~~ **IC 6-10-2-15**.

SECTION 25. IC 6-1.1-20.4-4, AS ADDED BY P.L.246-2005, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. (a) A political subdivision may adopt an ordinance or resolution each year to provide for the use of revenue for the purpose of providing a homestead credit the following year to homesteads. An ordinance must be adopted under this section before December 31 for credits to be provided in the following year. The ordinance applies only to the immediately following year.

(b) A homestead credit under this chapter is to be applied to the net property tax liability due on the homestead.

(c) A homestead credit under this chapter does not reduce the basis for determining the ~~state~~ property tax replacement credit under ~~IC 6-1.1-21~~ **IC 6-10-3** or the ~~state~~ homestead credit under ~~IC 6-1.1-20.9~~ **IC 6-10-4**.

SECTION 26. IC 6-1.1-20.6-2, AS ADDED BY P.L.246-2005, SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. As used in this chapter, "homestead" has the meaning set forth in ~~IC 6-1.1-20.9-1~~ **IC 6-10-2-15**."

Page 24, delete lines 6 through 42.

Delete pages 25 through 30.

Page 31, delete lines 1 through 32.

Page 31, between lines 32 and 33, begin a new paragraph and insert:
 "SECTION 28. IC 6-1.1-21.2-11 IS AMENDED TO READ AS
 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 11. (a) Not later
 than September 1 of a year in which a general reassessment does not
 become effective, the governing body shall estimate the tax increment
 replacement amount for each allocation area under the jurisdiction of
 the governing body for the next calendar year. In a year in which a
 general reassessment becomes effective, the department of local
 government finance may extend the deadline under this subsection by
 giving written notice to the governing body before the deadline.

(b) The tax increment replacement amount is the amount
 determined in STEP THREE of the following formula:

STEP ONE: The governing body shall estimate the amount of tax
 increment revenues it would receive in the next calendar year if
 the property tax replacement credits payable with respect to the
 general fund levies imposed by all school corporations with
 jurisdiction in the allocation area were determined under
~~IC 6-1.1-21 as in effect on January 1, 2001.~~ **IC 6-10-3.**

STEP TWO: The governing body shall estimate the amount of tax
 increment revenues it will receive in the next calendar year after
 implementation of the increase in the property tax credits payable
 under ~~IC 6-1.1-21; as amended by the general assembly in 2002;~~
IC 6-10-3 with respect to general fund levies imposed by all
 school corporations with jurisdiction in the allocation area.

STEP THREE: Subtract the STEP TWO amount from the STEP
 ONE amount.

SECTION 29. IC 6-1.1-21.2-14 IS AMENDED TO READ AS
 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 14. (a) The
 department of local government finance shall approve an appeal filed
 under section 13 of this chapter if the department determines that:

(1) the governing body's estimate of the tax replacement amount
 under section 11 of this chapter is reasonable;

(2) a tax levy in excess of the amount determined under section
 12(d) of this chapter would:

(A) create a significant financial hardship on taxpayers
 residing in the district in which the governing body exercises
 jurisdiction;

(B) significantly reduce the benefits from the increase in the
 property tax credits payable under IC 6-1.1-21 (**repealed**), as
 amended by the general assembly in 2002, with respect to
 general fund levies imposed by all school corporations with
 jurisdiction in the district; or

(C) have a disproportionate impact on small businesses or low
 income families or individuals; and

(3) the governing body has made reasonable efforts to limit its use
 of the special fund for the allocation area to appropriations for

1 payments of:

- 2 (A) the principal and interest on loans or bonds;
- 3 (B) lease rentals on leases;
- 4 (C) amounts due on other contractual obligations; and
- 5 (D) additional credits described in IC 8-22-3.5-10(a),
- 6 IC 36-7-14-39.5(c), IC 36-7-14.5-12.5(d)(5),
- 7 IC 36-7-15.1-26.5(e), IC 36-7-15.1-35(d), or
- 8 IC 36-7-30-25(b)(2)(E).

9 (b) In a year in which a general reassessment does not become
10 effective, the department of local government finance shall make a
11 final determination on an appeal filed under this section by December
12 1 of the year. In a year in which a general reassessment becomes
13 effective, the department may extend the deadline under this subsection
14 by giving written notice to the appellant before the deadline.

15 (c) If the department approves an appeal filed under this section, it
16 shall order a distribution from the **property tax replacement state**
17 **general** fund in the amount determined under section 13(b) of this
18 chapter in the same manner as distributions are made under
19 ~~IC 6-1.1-21-4.~~ **IC 6-10-7.**

20 (d) If the department denies an appeal filed under section 13 of this
21 chapter, or does not grant the maximum permissible distribution under
22 section 13(b) of this chapter, the legislative body of the unit that
23 established the district may increase the levy imposed under this
24 chapter to an amount that, when combined with any distribution
25 received under this chapter, does not exceed the tax increment
26 replacement amount.

27 SECTION 30. IC 6-1.1-21.5-6, AS AMENDED BY P.L.2-2006,
28 SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 JANUARY 1, 2008]: Sec. 6. (a) The receipt by the qualified taxing unit
30 of the loan proceeds is not considered to be part of the ad valorem
31 property tax levy actually collected by the qualified taxing unit for
32 taxes first due and payable during a particular calendar year for the
33 purpose of calculating the levy excess under IC 6-1.1-18.5-17 and
34 IC 20-44-3. The receipt by the qualified taxing unit of any payment of
35 delinquent tax owed by a taxpayer in bankruptcy is considered to be
36 part of the ad valorem property tax levy actually collected by the
37 qualified taxing unit for taxes first due and payable during a particular
38 calendar year for the purpose of calculating the levy excess under
39 IC 6-1.1-18.5-17 and IC 20-44-3.

40 (b) The loan proceeds and any payment of delinquent tax may be
41 expended by the qualified taxing unit only to pay debts of the qualified
42 taxing unit that have been incurred pursuant to duly adopted
43 appropriations approved by the department of local government finance
44 for operating expenses.

45 (c) In the event the sum of the receipts of the qualified taxing unit
46 that are attributable to:

(1) the loan proceeds; and

(2) the payment of property taxes owed by a taxpayer in a bankruptcy proceeding initially filed in 2000 and payable in 2001; exceeds sixteen million dollars (\$16,000,000), the excess as received during any calendar year or years shall be set aside and treated for the calendar year when received as a levy excess subject to IC 6-1.1-18.5-17 or IC 20-44-3. In calculating the payment of property taxes as provided in subdivision (2), the amount of property tax credit finally allowed under ~~IC 6-1.1-21-5~~ **IC 6-10-3** in respect to such taxes is considered a payment of such property taxes.

(d) As used in this section, "delinquent tax" means any tax owed by a taxpayer in a bankruptcy proceeding initially filed in 2000 and that is not paid during the calendar year for which it was first due and payable.

SECTION 31. IC 6-1.1-21.7-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 11. Loan proceeds shall be distributed to a taxing unit either on the same schedule as **certified** property tax replacement ~~credits~~ **distributions** are distributed under ~~IC 6-1.1-21-5~~ **IC 6-10-7** or another schedule to which both the board and the taxing unit agree.

SECTION 32. IC 6-1.1-21.8-6, AS AMENDED BY P.L.2-2006, SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 6. (a) As used in this section, "delinquent tax" means any tax:

(1) owed by a taxpayer in a bankruptcy proceeding initially filed in 2001; and

(2) not paid during the calendar year in which it was first due and payable.

(b) Except as provided in subsection (d), the proceeds of a loan received by the qualified taxing unit under this chapter are not considered to be part of the ad valorem property tax levy actually collected by the qualified taxing unit for taxes first due and payable during a particular calendar year for the purpose of calculating the levy excess under IC 6-1.1-18.5-17 and IC 20-44-3. The receipt by a qualified taxing unit of any payment of delinquent tax owed by a taxpayer in bankruptcy is considered to be part of the ad valorem property tax levy actually collected by the qualified taxing unit for taxes first due and payable during a particular calendar year for the purpose of calculating the levy excess under IC 6-1.1-18.5-17 and IC 20-44-3.

(c) The proceeds of a loan made under this chapter must first be used to retire any outstanding loans made by the department of commerce (including any loans made by the department of commerce that are transferred to the Indiana economic development corporation) to cover a qualified taxing unit's revenue shortfall resulting from the taxpayer's default on property tax payments. Any remaining proceeds

of a loan made under this chapter and any payment of delinquent taxes by the taxpayer may be expended by the qualified taxing unit only to pay obligations of the qualified taxing unit that have been incurred under appropriations for operating expenses made by the qualified taxing unit and approved by the department of local government finance.

(d) If the sum of the receipts of a qualified taxing unit that are attributable to:

(1) the loan proceeds; and

(2) the payment of property taxes owed by a taxpayer in a bankruptcy proceeding and payable in November 2001, May 2002, or November 2002;

exceeds the sum of the taxpayer's property tax liability attributable to the qualified taxing unit for property taxes payable in November 2001, May 2002, and November 2002, the excess as received during any calendar year or years shall be set aside and treated for the calendar year when received as a levy excess subject to IC 6-1.1-18.5-17 or IC 20-44-3. In calculating the payment of property taxes as referred to in subdivision (2), the amount of property tax credit finally allowed under IC 6-1.1-21-5 (**repealed**) in respect to those taxes is considered to be a payment of those property taxes.

SECTION 33. IC 6-1.1-22-9.5, AS AMENDED BY P.L.67-2006, SECTION 8, AND AS AMENDED BY P.L.2-2006, SECTION 65, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 9.5. (a) This section applies only to property taxes first due and payable in a year that begins after December 31, 2003:

(1) with respect to a homestead (as defined in ~~IC 6-1.1-20-9-1~~;
IC 6-10-2-15); and

(2) that are not payable in one (1) installment under section ~~9(b)~~
9(c) of this chapter.

(b) At any time before the mailing or transmission of tax statements for a year under section 8 of this chapter, a county may petition the department of local government finance to establish a schedule of installments for the payment of property taxes with respect to:

(1) real property that are based on the assessment of the property in the immediately preceding year; or

(2) a mobile home or manufactured home that is not assessed as real property that are based on the assessment of the property in the current year.

The county fiscal body (as defined in IC 36-1-2-6) ~~the county auditor,~~
~~and the county treasurer~~ must approve a petition under this subsection.

(c) The department of local government finance:

(1) may not establish a date for:

(A) an installment payment that is earlier than May 10 of the year in which the tax statement is mailed or transmitted;

- 1 (B) the first installment payment that is later than November
 2 10 of the year in which the tax statement is mailed or
 3 transmitted; or
 4 (C) the last installment payment that is later than May 10 of
 5 the year immediately following the year in which the tax
 6 statement is mailed or transmitted; and
 7 (2) shall:
 8 (A) prescribe the form of the petition under subsection (b);
 9 (B) determine the information required on the form; and
 10 (C) notify the county fiscal body, the county auditor, and the
 11 county treasurer of the department's determination on the
 12 petition not later than twenty (20) days after receiving the
 13 petition.
 14 (d) Revenue from property taxes paid under this section in the year
 15 immediately following the year in which the tax statement is mailed or
 16 transmitted under section 8 of this chapter:
 17 (1) is not considered in the determination of a levy excess under
 18 IC 6-1.1-18.5-17 or ~~IC 6-1.1-19-1.7~~ IC 20-44-3 for the year in
 19 which the property taxes are paid; and
 20 (2) may be:
 21 (A) used to repay temporary loans entered into by a political
 22 subdivision for; and
 23 (B) expended for any other reason by a political subdivision in
 24 the year the revenue is received under an appropriation from;
 25 the year in which the tax statement is mailed or transmitted under
 26 section 8 of this chapter.
 27 SECTION 34. IC 6-1.1-29-9, AS AMENDED BY P.L.2-2006,
 28 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JANUARY 1, 2008]: Sec. 9. (a) A county council may adopt an
 30 ordinance to abolish the county board of tax adjustment. This ordinance
 31 must be adopted by July 1 and may not be rescinded in the year it is
 32 adopted. Notwithstanding IC 6-1.1-17, IC 6-1.1-18, IC 20-45, IC 20-46,
 33 ~~IC 12-19-7, IC 12-19-7.5~~, IC 36-8-6, IC 36-8-7, IC 36-8-7.5,
 34 IC 36-8-11, IC 36-9-3, IC 36-9-4, and IC 36-9-13, if such an ordinance
 35 is adopted, this section governs the treatment of tax rates, tax levies,
 36 and budgets that would otherwise be reviewed by a county board of tax
 37 adjustment under IC 6-1.1-17.
 38 (b) The time requirements set forth in IC 6-1.1-17 govern all filings
 39 and notices.
 40 (c) A tax rate, tax levy, or budget that otherwise would be reviewed
 41 by the county board of tax adjustment is considered and must be treated
 42 for all purposes as if the county board of tax adjustment approved the
 43 tax rate, tax levy, or budget. This includes the notice of tax rates that is
 44 required under IC 6-1.1-17-12."
 45 Page 34, between lines 39 and 40, begin a new paragraph and insert:
 46 "SECTION 37. IC 6-1.1-37-10.5 IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 10.5. (a) This
 2 section applies only to property taxes first due and payable in 2004
 3 with respect to a homestead (as defined in IC 6-1.1-20.9-1 (**repealed**)).

4 (b) A county may petition the department of local government
 5 finance to waive all or part of the penalty imposed under section 10(a)
 6 of this chapter. The county fiscal body (as defined in IC 36-1-2-6), the
 7 county auditor, and the county treasurer must approve a petition under
 8 this subsection.

9 (c) The department of local government finance shall:

10 (1) prescribe the form of the petition under subsection (b);

11 (2) determine the information required on the form; and

12 (3) notify the county fiscal body, the county auditor, and the
 13 county treasurer of the department's determination on the petition
 14 not later than thirty (30) days after receipt of the petition.

15 SECTION 38. IC 6-1.1-39-5, AS AMENDED BY P.L.154-2006,
 16 SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JANUARY 1, 2008]: Sec. 5. (a) A declaratory ordinance adopted under
 18 section 2 of this chapter and confirmed under section 3 of this chapter
 19 must include a provision with respect to the allocation and distribution
 20 of property taxes for the purposes and in the manner provided in this
 21 section. The allocation provision must apply to the entire economic
 22 development district. The allocation provisions must require that any
 23 property taxes subsequently levied by or for the benefit of any public
 24 body entitled to a distribution of property taxes on taxable property in
 25 the economic development district be allocated and distributed as
 26 follows:

27 (1) Except as otherwise provided in this section, the proceeds of
 28 the taxes attributable to the lesser of:

29 (A) the assessed value of the property for the assessment date
 30 with respect to which the allocation and distribution is made;

31 or

32 (B) the base assessed value;

33 shall be allocated to and, when collected, paid into the funds of
 34 the respective taxing units. However, if the effective date of the
 35 allocation provision of a declaratory ordinance is after March 1,
 36 1985, and before January 1, 1986, and if an improvement to
 37 property was partially completed on March 1, 1985, the unit may
 38 provide in the declaratory ordinance that the taxes attributable to
 39 the assessed value of the property as finally determined for March
 40 1, 1984, shall be allocated to and, when collected, paid into the
 41 funds of the respective taxing units.

42 (2) Except as otherwise provided in this section, part or all of the
 43 property tax proceeds in excess of those described in subdivision
 44 (1), as specified in the declaratory ordinance, shall be allocated to
 45 the unit for the economic development district and, when
 46 collected, paid into a special fund established by the unit for that

economic development district that may be used only to pay the principal of and interest on obligations owed by the unit under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of industrial development programs in, or serving, that economic development district. The amount not paid into the special fund shall be paid to the respective units in the manner prescribed by subdivision (1).

(3) When the money in the fund is sufficient to pay all outstanding principal of and interest (to the earliest date on which the obligations can be redeemed) on obligations owed by the unit under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of industrial development programs in, or serving, that economic development district, money in the special fund in excess of that amount shall be paid to the respective taxing units in the manner prescribed by subdivision (1).

(b) Property tax proceeds allocable to the economic development district under subsection (a)(2) must, subject to subsection (a)(3), be irrevocably pledged by the unit for payment as set forth in subsection (a)(2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the economic development district that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory ordinance is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Notwithstanding any other law, each assessor shall, upon petition of the fiscal body, reassess the taxable property situated upon or in, or added to, the economic development district effective on the next assessment date after the petition.

(e) Notwithstanding any other law, the assessed value of all taxable property in the economic development district, for purposes of tax limitation, property tax replacement (except as provided in ~~IC 6-1.1-21-3(c), IC 6-1.1-21-4(a)(3), and IC 6-1.1-21-5(c);~~ **IC 6-10-3-5**), and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(f) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1)

time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1.

(g) As used in this section, "property taxes" means:

- (1) taxes imposed under this article on real property; and
- (2) any part of the taxes imposed under this article on depreciable personal property that the unit has by ordinance allocated to the economic development district. However, the ordinance may not limit the allocation to taxes on depreciable personal property with any particular useful life or lives.

If a unit had, by ordinance adopted before May 8, 1987, allocated to an economic development district property taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the ordinance continues in effect until an ordinance is adopted by the unit under subdivision (2).

(h) As used in this section, "base assessed value" means:

- (1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (f); plus
- (2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Subdivision (2) applies only to economic development districts established after June 30, 1997, and to additional areas established after June 30, 1997.

SECTION 39. IC 6-1.1-39-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 6. (a) An economic development district may be enlarged by the fiscal body by following the same procedure for the creation of an economic development district specified in this chapter. Property taxes that are attributable to the additional area and allocable to the economic development district are not eligible for the property tax replacement credit provided by ~~IC 6-1.1-21-5~~ **IC 6-10-3**. However, subject to subsection (c) and except as provided in subsection (f), each taxpayer in an additional area is entitled to an additional credit for ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2-22**) that under IC 6-1.1-22-9 ~~are~~ **is** due and payable in May and November of that year. Except as provided in subsection (f), one-half (1/2) of the credit

shall be applied to each installment of **taxes property tax** (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2-22**). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district in a county that contains all or part of the additional area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A)~~ and ~~IC 6-1.1-21-2(g)(2)~~ **IC 6-10-2-34(1)(A)** and **IC 6-10-2-34(2)** that is attributable to the taxing district.

STEP TWO: Divide:

- (A) that part of the county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2-14**) for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by
- (B) the STEP ONE sum.

STEP THREE: Multiply:

- (A) the STEP TWO quotient; times
- (B) the total amount of the taxpayer's **taxes property tax** (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2-22**) levied in the taxing district that would have been allocated to a special fund under section 5 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the economic development district and paid into a special fund under section 5(a) of this chapter.

(b) If the additional credit under subsection (a) is not reduced under subsection (c) or (d), the credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (a) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an additional area. The credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (a) shall be combined on the tax statements sent to each taxpayer.

(c) The county fiscal body may, by ordinance, provide that the additional credit described in subsection (a):

- (1) does not apply in a specified additional area; or
- (2) is to be reduced by a uniform percentage for all taxpayers in a specified additional area.

(d) Whenever the county fiscal body determines that granting the full additional credit under subsection (a) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that economic development district in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the county fiscal body must adopt an ordinance under subsection (c) to deny the additional credit or reduce the additional credit to a level that creates a reasonable expectation that the bonds or other obligations will

1 be paid when due. An ordinance adopted under subsection (c) denies
 2 or reduces the additional credit for **taxes property tax** (as defined in
 3 ~~IC 6-1.1-21-2~~) **IC 6-10-2-22**) first due and payable in any year
 4 following the year in which the ordinance is adopted.

5 (e) An ordinance adopted under subsection (c) remains in effect
 6 until the ordinance is rescinded by the body that originally adopted the
 7 ordinance. However, an ordinance may not be rescinded if the
 8 rescission would adversely affect the interests of the holders of bonds
 9 or other obligations that are payable from allocated tax proceeds in that
 10 economic development district in a way that would create a reasonable
 11 expectation that the principal of or interest on the bonds or other
 12 obligations would not be paid when due. If an ordinance is rescinded
 13 and no other ordinance is adopted, the additional credit described in
 14 subsection (a) applies to **taxes property tax** (as defined in
 15 ~~IC 6-1.1-21-2~~) **IC 6-10-2-22**) first due and payable in each year
 16 following the year in which the resolution is rescinded.

17 (f) This subsection applies to an additional area only to the extent
 18 that the net assessed value of property that is assessed as residential
 19 property under the rules of the department of local government finance
 20 is not included in the base assessed value. If property tax installments
 21 with respect to a homestead (as defined in ~~IC 6-1.1-20.9-1~~)
 22 **IC 6-10-2-15**) are due in installments established by the department of
 23 local government finance under IC 6-1.1-22-9.5, each taxpayer subject
 24 to those installments in an additional area is entitled to an additional
 25 credit under subsection (a) for the **taxes property tax** (as defined in
 26 ~~IC 6-1.1-21-2~~) **IC 6-10-2-22**) due in installments. The credit shall be
 27 applied in the same proportion to each installment of **taxes property**
 28 **tax** (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2-22**).

29 SECTION 40. IC 6-2.5-10-1 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. (a) The
 31 department shall account for all state gross retail and use taxes that it
 32 collects.

33 (b) The department shall deposit those collections in the following
 34 manner:

35 (1) Fifty percent (50%) of the collections shall be paid into the
 36 property tax replacement fund established under ~~IC 6-1.1-21-~~

37 (2) (1) Forty-nine Ninety-nine and one hundred ninety-two
 38 thousandths percent (~~49.192%~~) (**99.192%**) of the collections shall
 39 be paid into the state general fund.

40 (3) (2) Six hundred thirty-five thousandths of one percent
 41 (0.635%) of the collections shall be paid into the public mass
 42 transportation fund established by IC 8-23-3-8.

43 (4) (3) Thirty-three thousandths of one percent (0.033%) of the
 44 collections shall be deposited into the industrial rail service fund
 45 established under IC 8-3-1.7-2.

46 (5) (4) Fourteen-hundredths of one percent (0.14%) of the

collections shall be deposited into the commuter rail service fund established under IC 8-3-1.5-20.5.

SECTION 41. IC 6-3-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. (a) Each taxable year, a tax at the rate of ~~three two~~ and four-tenths percent (~~3.4%~~) **(2.4%)** of adjusted gross income is imposed upon the adjusted gross income of every resident person, and on that part of the adjusted gross income derived from sources within Indiana of every nonresident person.

(b) Except as provided in section 1.5 of this chapter, each taxable year, a tax at the rate of eight and five-tenths percent (8.5%) of adjusted gross income is imposed on that part of the adjusted gross income derived from sources within Indiana of every corporation.

SECTION 42. IC 6-3-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. ~~(a) All revenues derived from collection of the adjusted gross income tax imposed on corporations shall be deposited in the state general fund.~~

~~(b) All revenues derived from collection of the adjusted gross income tax imposed on persons shall be deposited as follows:~~

~~(1) Eighty-six percent (86%) in the state general fund.~~

~~(2) Fourteen percent (14%) in the property tax replacement fund.~~

SECTION 43. IC 6-3.1-20-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. As used in this chapter, "homestead" has the meaning set forth in ~~IC 6-1.1-20-9-1.~~ **IC 6-10-2-15."**

Page 34, delete lines 40 through 42.

Delete pages 35 through 73.

Page 74, before line 1, begin a new paragraph and insert:

"SECTION 45. IC 6-3.5-6-18.5, AS AMENDED BY P.L.234-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 18.5. (a) This section applies to a county containing a consolidated city.

(b) Notwithstanding section 18(e) of this chapter, the distributive shares that each civil taxing unit in a county containing a consolidated city is entitled to receive during a month equals the following:

(1) For the calendar year beginning January 1, 1995, calculate the total amount of revenues that are to be distributed as distributive shares during that month multiplied by the following factor:

Center Township	.0251
Decatur Township	.00217
Franklin Township	.0023
Lawrence Township	.01177
Perry Township	.01130
Pike Township	.01865
Warren Township	.01359
Washington Township	.01346
Wayne Township	.01307

1	Lawrence-City	.00858
2	Beech Grove	.00845
3	Southport	.00025
4	Speedway	.00722
5	Indianapolis/Marion County	.86409
6	(2) Notwithstanding subdivision (1), for the calendar year	
7	beginning January 1, 1995, the distributive shares for each civil	
8	taxing unit in a county containing a consolidated city shall be not	
9	less than the following:	
10	Center Township	\$1,898,145
11	Decatur Township	\$164,103
12	Franklin Township	\$173,934
13	Lawrence Township	\$890,086
14	Perry Township	\$854,544
15	Pike Township	\$1,410,375
16	Warren Township	\$1,027,721
17	Washington Township	\$1,017,890
18	Wayne Township	\$988,397
19	Lawrence-City	\$648,848
20	Beech Grove	\$639,017
21	Southport	\$18,906
22	Speedway	\$546,000
23	(3) For each year after 1995, calculate the total amount of	
24	revenues that are to be distributed as distributive shares during	
25	that month as follows:	
26	STEP ONE: Determine the total amount of revenues that were	
27	distributed as distributive shares during that month in calendar	
28	year 1995.	
29	STEP TWO: Determine the total amount of revenue that the	
30	department has certified as distributive shares for that month	
31	under section 17 of this chapter for the calendar year.	
32	STEP THREE: Subtract the STEP ONE result from the STEP	
33	TWO result.	
34	STEP FOUR: If the STEP THREE result is less than or equal	
35	to zero (0), multiply the STEP TWO result by the ratio	
36	established under subdivision (1).	
37	STEP FIVE: Determine the ratio of:	
38	(A) the maximum permissible property tax levy under	
39	IC 6-1.1-18.5 IC 12-19-7 , and IC 12-19-7.5 for each civil	
40	taxing unit for the calendar year in which the month falls,	
41	plus, for a county, an amount equal to the property taxes	
42	imposed by the county in 1999 for the county's welfare fund	
43	and welfare administration fund; divided by	
44	(B) the sum of the maximum permissible property tax levies	
45	under IC 6-1.1-18.5 IC 12-19-7 , and IC 12-19-7.5 for all	
46	civil taxing units of the county during the calendar year in	

which the month falls, and an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund.

STEP SIX: If the STEP THREE result is greater than zero (0), the STEP ONE amount shall be distributed by multiplying the STEP ONE amount by the ratio established under subdivision (1).

STEP SEVEN: For each taxing unit determine the STEP FIVE ratio multiplied by the STEP TWO amount.

STEP EIGHT: For each civil taxing unit determine the difference between the STEP SEVEN amount minus the product of the STEP ONE amount multiplied by the ratio established under subdivision (1). The STEP THREE excess shall be distributed as provided in STEP NINE only to the civil taxing units that have a STEP EIGHT difference greater than or equal to zero (0).

STEP NINE: For the civil taxing units qualifying for a distribution under STEP EIGHT, each civil taxing unit's share equals the STEP THREE excess multiplied by the ratio of:

(A) the maximum permissible property tax levy under IC 6-1.1-18.5 ~~IC 12-19-7~~, and ~~IC 12-19-7.5~~ for the qualifying civil taxing unit during the calendar year in which the month falls, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; divided by

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 ~~IC 12-19-7~~, and ~~IC 12-19-7.5~~ for all qualifying civil taxing units of the county during the calendar year in which the month falls, and an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund.

SECTION 46. IC 6-3.5-7-5, AS AMENDED BY P.L.162-2006, SECTION 33, AND AS AMENDED BY P.L.184-2006, SECTION 8, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. The entity that may impose the tax is:

- (1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on January 1 of the year the county economic development income tax is imposed;
- (2) the county council if the county adjusted gross income tax is in effect on January 1 of the year the county economic development tax is imposed; or
- (3) the county income tax council or the county council,

1 whichever acts first, for a county not covered by subdivision (1)
2 or (2).

3 To impose the county economic development income tax, a county
4 income tax council shall use the procedures set forth in IC 6-3.5-6
5 concerning the imposition of the county option income tax.

6 (b) Except as provided in subsections (c), (g), (k), (p), and (r) the
7 county economic development income tax may be imposed at a rate of:

- 8 (1) one-tenth percent (0.1%);
- 9 (2) two-tenths percent (0.2%);
- 10 (3) twenty-five hundredths percent (0.25%);
- 11 (4) three-tenths percent (0.3%);
- 12 (5) thirty-five hundredths percent (0.35%);
- 13 (6) four-tenths percent (0.4%);
- 14 (7) forty-five hundredths percent (0.45%); or
- 15 (8) five-tenths percent (0.5%);

16 on the adjusted gross income of county taxpayers.

17 (c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), (o),
18 (p), ~~or~~ (s), *or* (v), the county economic development income tax rate
19 plus the county adjusted gross income tax rate, if any, that are in effect
20 on January 1 of a year may not exceed one and twenty-five hundredths
21 percent (1.25%). Except as provided in subsection (g), (p), (r), (t), or
22 (u), the county economic development tax rate plus the county option
23 income tax rate, if any, that are in effect on January 1 of a year may not
24 exceed one percent (1%).

25 (d) To impose, increase, decrease, or rescind the county economic
26 development income tax, the appropriate body must, after January 1 but
27 before April 1 of a year, adopt an ordinance. The ordinance to impose
28 the tax must substantially state the following:

29 "The _____ County _____ imposes the county economic
30 development income tax on the county taxpayers of _____
31 County. The county economic development income tax is imposed at
32 a rate of _____ percent (____%) on the county taxpayers of the
33 county. This tax takes effect July 1 of this year."

34 (e) Any ordinance adopted under this chapter takes effect July 1 of
35 the year the ordinance is adopted.

36 (f) The auditor of a county shall record all votes taken on ordinances
37 presented for a vote under the authority of this chapter and shall, not
38 more than ten (10) days after the vote, send a certified copy of the
39 results to the commissioner of the department by certified mail.

40 (g) This subsection applies to a county having a population of more
41 than one hundred forty-eight thousand (148,000) but less than one
42 hundred seventy thousand (170,000). Except as provided in subsection
43 (p), in addition to the rates permitted by subsection (b), the:

- 44 (1) county economic development income tax may be imposed at
45 a rate of:
- 46 (A) fifteen-hundredths percent (0.15%);

1 (B) two-tenths percent (0.2%); or
 2 (C) twenty-five hundredths percent (0.25%); and
 3 (2) county economic development income tax rate plus the county
 4 option income tax rate that are in effect on January 1 of a year
 5 may equal up to one and twenty-five hundredths percent (1.25%);
 6 if the county income tax council makes a determination to impose rates
 7 under this subsection and section 22 of this chapter.

8 (h) For a county having a population of more than forty-one
 9 thousand (41,000) but less than forty-three thousand (43,000), except
 10 as provided in subsection (p), the county economic development
 11 income tax rate plus the county adjusted gross income tax rate that are
 12 in effect on January 1 of a year may not exceed one and thirty-five
 13 hundredths percent (1.35%) if the county has imposed the county
 14 adjusted gross income tax at a rate of one and one-tenth percent (1.1%)
 15 under IC 6-3.5-1.1-2.5.

16 (i) For a county having a population of more than thirteen thousand
 17 five hundred (13,500) but less than fourteen thousand (14,000), except
 18 as provided in subsection (p), the county economic development
 19 income tax rate plus the county adjusted gross income tax rate that are
 20 in effect on January 1 of a year may not exceed one and fifty-five
 21 hundredths percent (1.55%).

22 (j) For a county having a population of more than seventy-one
 23 thousand (71,000) but less than seventy-one thousand four hundred
 24 (71,400), except as provided in subsection (p), the county economic
 25 development income tax rate plus the county adjusted gross income tax
 26 rate that are in effect on January 1 of a year may not exceed one and
 27 five-tenths percent (1.5%).

28 (k) This subsection applies to a county having a population of more
 29 than twenty-seven thousand four hundred (27,400) but less than
 30 twenty-seven thousand five hundred (27,500). Except as provided in
 31 subsection (p), in addition to the rates permitted under subsection (b):

32 (1) the county economic development income tax may be imposed
 33 at a rate of twenty-five hundredths percent (0.25%); and

34 (2) the sum of the county economic development income tax rate
 35 and the county adjusted gross income tax rate that are in effect on
 36 January 1 of a year may not exceed one and five-tenths percent
 37 (1.5%);

38 if the county council makes a determination to impose rates under this
 39 subsection and section 22.5 of this chapter.

40 (l) For a county having a population of more than twenty-nine
 41 thousand (29,000) but less than thirty thousand (30,000), except as
 42 provided in subsection (p), the county economic development income
 43 tax rate plus the county adjusted gross income tax rate that are in effect
 44 on January 1 of a year may not exceed one and five-tenths percent
 45 (1.5%).

46 (m) For:

(1) a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000); or
 (2) a county having a population of more than forty-five thousand (45,000) but less than forty-five thousand nine hundred (45,900); except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) For a county having a population of more than six thousand (6,000) but less than eight thousand (8,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(o) This subsection applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and:

(A) the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%); or

(B) the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 24 of this chapter.

(p) In addition:

(1) the county economic development income tax may be imposed at a rate that exceeds by not more than twenty-five hundredths percent (0.25%) the maximum rate that would otherwise apply under this section; and

(2) the:

(A) county economic development income tax; and

(B) county option income tax or county adjusted gross income tax;

may be imposed at combined rates that exceed by not more than twenty-five hundredths percent (0.25%) the maximum combined rates that would otherwise apply under this section.

However, the additional rate imposed under this subsection may not exceed the amount necessary to mitigate the increased ad valorem property taxes on homesteads (as defined in ~~IC 6-1.1-20.9-1~~ **IC 6-10-2-15**) or residential property (as defined in section 26 of this

chapter), as appropriate under the ordinance adopted by the adopting body in the county, resulting from the deduction of the assessed value of inventory in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42.

(q) If the county economic development income tax is imposed as authorized under subsection (p) at a rate that exceeds the maximum rate that would otherwise apply under this section, the certified distribution must be used for the purpose provided in section 25(e) or 26 of this chapter to the extent that the certified distribution results from the difference between:

- (1) the actual county economic development tax rate; and
- (2) the maximum rate that would otherwise apply under this section.

(r) This subsection applies only to a county described in section 27 of this chapter. Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

- (1) county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and
 - (2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%);
- if the county council makes a determination to impose rates under this subsection and section 27 of this chapter.

(s) Except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%) if the county has imposed the county adjusted gross income tax under IC 6-3.5-1.1-3.3.

(t) This subsection applies to Howard County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

(u) This subsection applies to Scott County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

(v) *This subsection applies to Jasper County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).*

SECTION 47. IC 6-3.5-7-13.1, AS AMENDED BY P.L.47-2006, SECTION 4, AND AS AMENDED BY P.L.137-2006, SECTION 11, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 13.1. (a) The fiscal officer of each county, city, or town for a county in which the county economic

development tax is imposed shall establish an economic development income tax fund. Except as provided in sections 23, 25, 26, and 27 of this chapter, the revenue received by a county, city, or town under this chapter shall be deposited in the unit's economic development income tax fund.

(b) Except as provided in sections 15, 23, 25, 26, and 27 of this chapter, revenues from the county economic development income tax may be used as follows:

(1) By a county, city, or town for economic development projects, for paying, notwithstanding any other law, under a written agreement all or a part of the interest owed by a private developer or user on a loan extended by a financial institution or other lender to the developer or user if the proceeds of the loan are or are to be used to finance an economic development project, for the retirement of bonds under section 14 of this chapter for economic development projects, for leases under section 21 of this chapter, or for leases or bonds entered into or issued prior to the date the economic development income tax was imposed if the purpose of the lease or bonds would have qualified as a purpose under this chapter at the time the lease was entered into or the bonds were issued.

(2) By a county, city, or town for:

(A) the construction or acquisition of, or remedial action with respect to, a capital project for which the unit is empowered to issue general obligation bonds or establish a fund under any statute listed in IC 6-1.1-18.5-9.8;

(B) the retirement of bonds issued under any provision of Indiana law for a capital project;

(C) the payment of lease rentals under any statute for a capital project;

(D) contract payments to a nonprofit corporation whose primary corporate purpose is to assist government in planning and implementing economic development projects;

(E) operating expenses of a governmental entity that plans or implements economic development projects;

(F) to the extent not otherwise allowed under this chapter, funding substance removal or remedial action in a designated unit; or

(G) funding of a revolving fund established under IC 5-1-14-14.

(3) By a county, city, or town for any lawful purpose for which money in any of its other funds may be used.

(4) By a city or county described in IC 36-7.5-2-3(b) for making transfers required by IC 36-7.5-4-2. If the county economic development income tax rate is increased after April 30, 2005, in a county having a population of more than one hundred forty-five

thousand (145,000) but less than one hundred forty-eight thousand (148,000), the first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be used by the county only to make the county's transfer required by IC 36-7.5-4-2. The first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be paid by the county treasurer to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county under this chapter from the tax revenue that results each year from the tax rate increase. In a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000), all of the tax revenue that results each year from the tax rate increase that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for additional homestead credits under subdivision (5).

(5) This subdivision applies only in a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000). Except as otherwise provided, the procedures and definitions in ~~IC 6-1.1-20.9~~ **IC 6-10-2** apply to this subdivision. All of the tax revenue that results each year from a tax rate increase described in subdivision (4) that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for additional homestead credits under this subdivision. The following apply to additional homestead credits provided under this subdivision:

(A) The additional homestead credits must be applied uniformly to increase the homestead credit under ~~IC 6-1.1-20.9~~ **IC 6-10-4** for homesteads in the county, city, or town.

(B) The additional homestead credits shall be treated for all purposes as property tax levies. The additional homestead credits do not reduce the basis for determining the state property tax replacement credit under ~~IC 6-1.1-21~~ **IC 6-10-3** or the state homestead credit under ~~IC 6-1.1-20.9~~ **IC 6-10-4**.

(C) The additional homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1.

(D) The department of local government finance shall determine the additional homestead credit percentage for a

- 1 particular year based on the amount of county economic
 2 development income tax revenue that will be used under this
 3 subdivision to provide additional homestead credits in that
 4 year.
- 5 (6) This subdivision applies only in a county having a population
 6 of more than four hundred thousand (400,000) but less than seven
 7 hundred thousand (700,000). Except as otherwise provided, the
 8 procedures and definitions in ~~IC 6-1.1-20.9~~ **IC 6-10-2** apply to
 9 this subdivision. A county or a city or town in the county may use
 10 county economic development income tax revenue to provide
 11 additional homestead credits in the county, city, or town. The
 12 following apply to additional homestead credits provided under
 13 this subdivision:
- 14 (A) The county, city, or town fiscal body must adopt an
 15 ordinance authorizing the additional homestead credits. The
 16 ordinance must:
- 17 (i) be adopted before September 1 of a year to apply to
 18 property taxes first due and payable in the following year;
 19 and
- 20 (ii) specify the amount of county economic development
 21 income tax revenue that will be used to provide additional
 22 homestead credits in the following year.
- 23 (B) A county, city, or town fiscal body that adopts an
 24 ordinance under this subdivision must forward a copy of the
 25 ordinance to the county auditor and the department of local
 26 government finance not more than thirty (30) days after the
 27 ordinance is adopted.
- 28 (C) The additional homestead credits must be applied
 29 uniformly to increase the homestead credit under ~~IC 6-1.1-20.9~~
 30 **IC 6-10-4** for homesteads in the county, city, or town.
- 31 (D) The additional homestead credits shall be treated for all
 32 purposes as property tax levies. The additional homestead
 33 credits do not reduce the basis for determining the state
 34 property tax replacement credit under ~~IC 6-1.1-21~~ **IC 6-10-3**
 35 or the state homestead credit under ~~IC 6-1.1-20.9~~ **IC 6-10-4**.
- 36 (E) The additional homestead credits shall be applied to the
 37 net property taxes due on the homestead after the application
 38 of all other assessed value deductions or property tax
 39 deductions and credits that apply to the amount owed under
 40 IC 6-1.1.
- 41 (F) The department of local government finance shall
 42 determine the additional homestead credit percentage for a
 43 particular year based on the amount of county economic
 44 development income tax revenue that will be used under this
 45 subdivision to provide additional homestead credits in that
 46 year.

(7) For a regional venture capital fund established under section 13.5 of this chapter or a local venture capital fund established under section 13.6 of this chapter.

~~(7)~~ **(8)** This subdivision applies only to a county:

(A) that has a population of more than one hundred ten thousand (110,000) but less than one hundred fifteen thousand (115,000); and

(B) in which:

(i) the county fiscal body has adopted an ordinance under IC 36-7.5-2-3(e) providing that the county is joining the northwest Indiana regional development authority; and

(ii) the fiscal body of the city described in IC 36-7.5-2-3(e) has adopted an ordinance under IC 36-7.5-2-3(e) providing that the city is joining the development authority.

Revenue from the county economic development income tax may be used by a county or a city described in this subdivision for making transfers required by IC 36-7.5-4-2. In addition, if the county economic development income tax rate is increased after June 30, 2006, in the county, the first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be used by the county only to make the county's transfer required by IC 36-7.5-4-2. The first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be paid by the county treasurer to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county under this chapter from the tax revenue that results each year from the tax rate increase. All of the tax revenue that results each year from the tax rate increase that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for additional homestead credits under subdivision ~~(8)~~ **(9)**.

~~(8)~~ **(9)** This subdivision applies only to a county described in subdivision ~~(7)~~ **(8)**. Except as otherwise provided, the procedures and definitions in ~~IC 6-1.1-20-9~~ **IC 6-10-2** apply to this subdivision. All of the tax revenue that results each year from a tax rate increase described in subdivision ~~(7)~~ **(8)** that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for additional homestead credits under this subdivision. The following apply to additional homestead credits provided under this subdivision:

(A) The additional homestead credits must be applied

uniformly to increase the homestead credit under ~~IC 6-1.1-20.9~~ **IC 6-10-4** for homesteads in the county, city, or town.

(B) The additional homestead credits shall be treated for all purposes as property tax levies. The additional homestead credits do not reduce the basis for determining the state property tax replacement credit under ~~IC 6-1.1-21~~ **IC 6-10-3** or the state homestead credit under ~~IC 6-1.1-20.9~~ **IC 6-10-4**.

(C) The additional homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1.

(D) The department of local government finance shall determine the additional homestead credit percentage for a particular year based on the amount of county economic development income tax revenue that will be used under this subdivision to provide additional homestead credits in that year.

(c) As used in this section, an economic development project is any project that:

(1) the county, city, or town determines will:

(A) promote significant opportunities for the gainful employment of its citizens;

(B) attract a major new business enterprise to the unit; or

(C) retain or expand a significant business enterprise within the unit; and

(2) involves an expenditure for:

(A) the acquisition of land;

(B) interests in land;

(C) site improvements;

(D) infrastructure improvements;

(E) buildings;

(F) structures;

(G) rehabilitation, renovation, and enlargement of buildings and structures;

(H) machinery;

(I) equipment;

(J) furnishings;

(K) facilities;

(L) administrative expenses associated with such a project, including contract payments authorized under subsection (b)(2)(D);

(M) operating expenses authorized under subsection (b)(2)(E); or

(N) to the extent not otherwise allowed under this chapter,

1 substance removal or remedial action in a designated unit;
2 or any combination of these.

3 (d) If there are bonds outstanding that have been issued under
4 section 14 of this chapter or leases in effect under section 21 of this
5 chapter, a county, city, or town may not expend money from its
6 economic development income tax fund for a purpose authorized under
7 subsection (b)(3) in a manner that would adversely affect owners of the
8 outstanding bonds or payment of any lease rentals due.

9 SECTION 48. IC 6-3.5-7-23 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 23. (a) This
11 section applies only to a county having a population of more than
12 fifty-five thousand (55,000) but less than sixty-five thousand (65,000).

13 (b) The county council may by ordinance determine that, in order to
14 promote the development of libraries in the county and thereby
15 encourage economic development, it is necessary to use economic
16 development income tax revenue to replace library property taxes in
17 the county. However, a county council may adopt an ordinance under
18 this subsection only if all territory in the county is included in a library
19 district.

20 (c) If the county council makes a determination under subsection
21 (b), the county council may designate the county economic
22 development income tax revenue generated by the tax rate adopted
23 under section 5 of this chapter, or revenue generated by a portion of the
24 tax rate, as revenue that will be used to replace public library property
25 taxes imposed by public libraries in the county. The county council
26 may not designate for library property tax replacement purposes any
27 county economic development income tax revenue that is generated by
28 a tax rate of more than fifteen-hundredths percent (0.15%).

29 (d) The county treasurer shall establish a library property tax
30 replacement fund to be used only for the purposes described in this
31 section. County economic development income tax revenues derived
32 from the portion of the tax rate designated for property tax replacement
33 credits under subsection (c) shall be deposited in the library property
34 tax replacement fund before certified distributions are made under
35 section 12 of this chapter. Any interest earned on money in the library
36 property tax replacement fund shall be credited to the library property
37 tax replacement fund.

38 (e) The amount of county economic development income tax
39 revenue dedicated to providing library property tax replacement credits
40 shall, in the manner prescribed in this section, be allocated to public
41 libraries operating in the county and shall be used by those public
42 libraries as property tax replacement credits. The amount of property
43 tax replacement credits that each public library in the county is entitled
44 to receive during a calendar year under this section equals the lesser of:

45 (1) the product of:

46 (A) the amount of revenue deposited by the county auditor in

the library property tax replacement fund; multiplied by
(B) a fraction described as follows:

(i) The numerator of the fraction equals the sum of the total property taxes that would have been collected by the public library during the previous calendar year from taxpayers located within the library district if the property tax replacement under this section had not been in effect.

(ii) The denominator of the fraction equals the sum of the total property taxes that would have been collected during the previous year from taxpayers located within the county by all public libraries that are eligible to receive property tax replacement credits under this section if the property tax replacement under this section had not been in effect; or

(2) the total property taxes that would otherwise be collected by the public library for the calendar year if the property tax replacement credit under this section were not in effect.

The department of local government finance shall make any adjustments necessary to account for the expansion of a library district. However, a public library is eligible to receive property tax replacement credits under this section only if it has entered into reciprocal borrowing agreements with all other public libraries in the county. If the total amount of county economic development income tax revenue deposited by the county auditor in the library property tax replacement fund for a calendar year exceeds the total property tax liability that would otherwise be imposed for public libraries in the county for the year, the excess shall remain in the library property tax replacement fund and shall be used for library property tax replacement purposes in the following calendar year.

(f) Notwithstanding subsection (e), if a public library did not impose a property tax levy during the previous calendar year, that public library is entitled to receive a part of the property tax replacement credits to be distributed for the calendar year. The amount of property tax replacement credits the public library is entitled to receive during the calendar year equals the product of:

(1) the amount of revenue deposited in the library property tax replacement fund; multiplied by

(2) a fraction. The numerator of the fraction equals the budget of the public library for that calendar year. The denominator of the fraction equals the aggregate budgets of public libraries in the county for that calendar year.

If for a calendar year a public library is allocated a part of the property tax replacement credits under this subsection, then the amount of property tax credits distributed to other public libraries in the county for the calendar year shall be reduced by the amount to be distributed as property tax replacement credits under this subsection. The department of local government finance shall make any adjustments

required by this subsection and provide the adjustments to the county auditor.

(g) The department of local government finance shall inform the county auditor of the amount of property tax replacement credits that each public library in the county is entitled to receive under this section. The county auditor shall certify to each public library the amount of property tax replacement credits that the public library is entitled to receive during that calendar year. The county auditor shall also certify these amounts to the county treasurer.

(h) A public library receiving property tax replacement credits under this section shall allocate the credits among each fund for which a distinct property tax levy is imposed. The amount that must be allocated to each fund equals:

(1) the amount of property tax replacement credits provided to the public library under this section; multiplied by

(2) the amount determined in STEP THREE of the following formula:

STEP ONE: Determine the property taxes that would have been collected for each fund by the public library during the previous calendar year if the property tax replacement under this section had not been in effect.

STEP TWO: Determine the sum of the total property taxes that would have been collected for all funds by the public library during the previous calendar year if the property tax replacement under this section had not been in effect.

STEP THREE: Divide the STEP ONE amount by the STEP TWO amount.

However, if a public library did not impose a property tax levy during the previous calendar year or did not impose a property tax levy for a particular fund during the previous calendar year, but the public library is imposing a property tax levy in the current calendar year or is imposing a property tax levy for the particular fund in the current calendar year, the department of local government finance shall adjust the amount of property tax replacement credits allocated among the various funds of the public library and shall provide the adjustment to the county auditor. If a public library receiving property tax replacement credits under this section does not impose a property tax levy for a particular fund that is first due and payable in a calendar year in which the property tax replacement credits are being distributed, the public library is not required to allocate to that fund a part of the property tax replacement credits to be distributed to the public library. Notwithstanding IC 6-1.1-20-1.1(1), a public library that receives property tax replacement credits under this section is subject to the procedures for the issuance of bonds set forth in IC 6-1.1-20.

(i) For each public library that receives property tax credits under this section, the department of local government finance shall certify

to the county auditor the property tax rate applicable to each fund after the property tax replacement credits are allocated.

(j) A public library shall treat property tax replacement credits received during a particular calendar year under this section as a part of the public library's property tax levy for each fund for that same calendar year for purposes of fixing the public library's budget and for purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

(k) The property tax replacement credits that are received under this section do not reduce the total county tax levy that is used to compute the ~~state~~ property tax replacement credit under ~~IC 6-1.1-21~~. **IC 6-10-3.** For the purpose of computing and distributing certified distributions under IC 6-3.5-1.1 and tax revenue under IC 6-5.5 or IC 6-6-5, the property tax replacement credits that are received under this section shall be treated as though they were property taxes that were due and payable during that same calendar year.

SECTION 49. IC 6-3.5-7-25, AS AMENDED BY P.L.199-2005, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 25. (a) This section applies only to a county that has adopted an ordinance under IC 6-1.1-12-41(f).

(b) For purposes of this section, "imposing entity" means the entity that adopted the ordinance under IC 6-1.1-12-41(f).

(c) The imposing entity may adopt an ordinance to provide for the use of the certified distribution described in section 16(c) of this chapter for the purpose provided in subsection (e). A county income tax council that adopts an ordinance under this subsection shall use the procedures set forth in IC 6-3.5-6 concerning the adoption of an ordinance for the imposition of the county option income tax. Except as provided in subsection (j), an ordinance must be adopted under this subsection after January 1 but before June 1 of a calendar year. The ordinance may provide for an additional rate under section 5(p) of this chapter. An ordinance adopted under this subsection:

(1) first applies to the certified distribution described in section 16(c) of this chapter made in the calendar year that immediately succeeds the calendar year in which the ordinance is adopted;

(2) must specify the calendar years to which the ordinance applies; and

(3) must specify that the certified distribution must be used to provide for:

(A) uniformly applied increased homestead credits as provided in subsection (f); or

(B) allocated increased homestead credits as provided in subsection (h).

An ordinance adopted under this subsection may be combined with an ordinance adopted under section 26 of this chapter.

(d) If an ordinance is adopted under subsection (c), the percentage of the certified distribution specified in the ordinance for use for the

purpose provided in subsection (e) shall be:

- (1) retained by the county auditor under subsection (i); and
- (2) used for the purpose provided in subsection (e) instead of the purposes specified in the capital improvement plans adopted under section 15 of this chapter.

(e) If an ordinance is adopted under subsection (c), the imposing entity shall use the certified distribution described in section 16(c) of this chapter to increase the homestead credit allowed in the county under ~~IC 6-1.1-20-9~~ **IC 6-10-4** for a year to offset the effect on homesteads in the county resulting from a county deduction for inventory under IC 6-1.1-12-41.

(f) If the imposing entity specifies the application of uniform increased homestead credits under subsection (c)(3)(A), the county auditor shall, for each calendar year in which an increased homestead credit percentage is authorized under this section, determine:

- (1) the amount of the certified distribution that is available to provide an increased homestead credit percentage for the year;
- (2) the amount of uniformly applied homestead credits for the year in the county that equals the amount determined under subdivision (1); and
- (3) the increased percentage of homestead credit that equates to the amount of homestead credits determined under subdivision (2).

(g) The increased percentage of homestead credit determined by the county auditor under subsection (f) applies uniformly in the county in the calendar year for which the increased percentage is determined.

(h) If the imposing entity specifies the application of allocated increased homestead credits under subsection (c)(3)(B), the county auditor shall, for each calendar year in which an increased homestead credit is authorized under this section, determine:

- (1) the amount of the certified distribution that is available to provide an increased homestead credit for the year; and
- (2) an increased percentage of homestead credit for each taxing district in the county that allocates to the taxing district an amount of increased homestead credits that bears the same proportion to the amount determined under subdivision (1) that the amount of inventory assessed value deducted under IC 6-1.1-12-41 in the taxing district for the immediately preceding year's assessment date bears to the total inventory assessed value deducted under IC 6-1.1-12-41 in the county for the immediately preceding year's assessment date.

(i) The county auditor shall retain from the payments of the county's certified distribution an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. The money shall be distributed to the civil taxing units and school corporations of the county:

- (1) as if the money were from property tax collections; and
- (2) in such a manner that no civil taxing unit or school corporation will suffer a net revenue loss because of the allowance of an increased homestead credit.

(j) An entity authorized to adopt:

- (1) an ordinance under subsection (c); and
- (2) an ordinance under IC 6-1.1-12-41(f);

may consolidate the two (2) ordinances. The limitation under subsection (c) that an ordinance must be adopted after January 1 of a calendar year does not apply if a consolidated ordinance is adopted under this subsection. However, notwithstanding subsection (c)(1), the ordinance must state that it first applies to certified distributions in the calendar year in which property taxes are initially affected by the deduction under IC 6-1.1-12-41.

SECTION 50. IC 6-3.5-7-26, AS AMENDED BY P.L.162-2006, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 26. (a) This section applies only to homestead and property tax replacement credits for property taxes first due and payable after calendar year 2006.

(b) The following definitions apply throughout this section:

- (1) "Adopt" includes amend.
- (2) "Adopting entity" means:
 - (A) the entity that adopts an ordinance under IC 6-1.1-12-41(f); or
 - (B) any other entity that may impose a county economic development income tax under section 5 of this chapter.
- (3) "Homestead" refers to tangible property that is eligible for a homestead credit under ~~IC 6-1.1-20-9~~ **IC 6-10-4**.
- (4) "Residential" refers to the following:
 - (A) Real property, a mobile home, and industrialized housing that would qualify as a homestead if the taxpayer had filed for a homestead credit under ~~IC 6-1.1-20-9~~ **IC 6-10-4**.
 - (B) Real property not described in clause (A) designed to provide units that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more, regardless of whether the tangible property is subject to assessment under rules of the department of local government finance that apply to:
 - (i) residential property; or
 - (ii) commercial property.

(c) An adopting entity may adopt an ordinance to provide for the use of the certified distribution described in section 16(c) of this chapter for the purpose provided in subsection (e). An adopting entity that adopts an ordinance under this subsection shall use the procedures set forth in IC 6-3.5-6 concerning the adoption of an ordinance for the imposition of the county option income tax. An ordinance must be adopted under

1 this subsection after January 1, 2006, and before June 1, 2006, or, in a
 2 year following 2006, after January 1 but before April 1 of a calendar
 3 year. The ordinance may provide for an additional rate under section
 4 5(p) of this chapter. An ordinance adopted under this subsection:

5 (1) first applies to the certified distribution described in section
 6 16(c) of this chapter made in the later of the calendar year that
 7 immediately succeeds the calendar year in which the ordinance is
 8 adopted or calendar year 2007; and

9 (2) must specify that the certified distribution must be used to
 10 provide for one (1) of the following, as determined by the
 11 adopting entity:

12 (A) Uniformly applied increased homestead credits as
 13 provided in subsection (f).

14 (B) Uniformly applied increased residential credits as
 15 provided in subsection (g).

16 (C) Allocated increased homestead credits as provided in
 17 subsection (i).

18 (D) Allocated increased residential credits as provided in
 19 subsection (j).

20 An ordinance adopted under this subsection may be combined with an
 21 ordinance adopted under section 25 of this chapter.

22 (d) If an ordinance is adopted under subsection (c), the percentage
 23 of the certified distribution specified in the ordinance for use for the
 24 purpose provided in subsection (e) shall be:

25 (1) retained by the county auditor under subsection (k); and

26 (2) used for the purpose provided in subsection (e) instead of the
 27 purposes specified in the capital improvement plans adopted
 28 under section 15 of this chapter.

29 (e) If an ordinance is adopted under subsection (c), the adopting
 30 entity shall use the certified distribution described in section 16(c) of
 31 this chapter to increase:

32 (1) if the ordinance grants a credit described in subsection
 33 (c)(2)(A) or (c)(2)(C), the homestead credit allowed in the county
 34 under ~~IC 6-1.1-20.9~~ **IC 6-10-4** for a year; or

35 (2) if the ordinance grants a credit described in subsection
 36 (c)(2)(B) or (c)(2)(D), the property tax replacement credit allowed
 37 in the county under ~~IC 6-1.1-21.5~~ **IC 6-10-3** for a year for the
 38 residential property;

39 to offset the effect on homesteads or residential property, as applicable,
 40 in the county resulting from the statewide deduction for inventory
 41 under IC 6-1.1-12-42. The amount of an additional residential property
 42 tax replacement credit granted under this section may not be
 43 considered in computing the amount of any homestead credit to which
 44 the residential property may be entitled under ~~IC 6-1.1-20.9~~ **IC 6-10-4**
 45 or another law other than IC 6-1.1-20.6.

46 (f) If the imposing entity specifies the application of uniform

1 increased homestead credits under subsection (c)(2)(A), the county
 2 auditor shall, for each calendar year in which an increased homestead
 3 credit percentage is authorized under this section, determine:

4 (1) the amount of the certified distribution that is available to
 5 provide an increased homestead credit percentage for the year;

6 (2) the amount of uniformly applied homestead credits for the
 7 year in the county that equals the amount determined under
 8 subdivision (1); and

9 (3) the increased percentage of homestead credit that equates to
 10 the amount of homestead credits determined under subdivision

11 (2).

12 (g) If the imposing entity specifies the application of uniform
 13 increased residential credits under subsection (c)(2)(B), the county
 14 auditor shall determine for each calendar year in which an increased
 15 homestead credit percentage is authorized under this section:

16 (1) the amount of the certified distribution that is available to
 17 provide an increased residential property tax replacement credit
 18 percentage for the year;

19 (2) the amount of uniformly applied residential property tax
 20 replacement credits for the year in the county that equals the
 21 amount determined under subdivision (1); and

22 (3) the increased percentage of residential property tax
 23 replacement credit that equates to the amount of residential
 24 property tax replacement credits determined under subdivision

25 (2).

26 (h) The increased percentage of homestead credit determined by the
 27 county auditor under subsection (f) or the increased percentage of
 28 residential property tax replacement credit determined by the county
 29 auditor under subsection (g) applies uniformly in the county in the
 30 calendar year for which the increased percentage is determined.

31 (i) If the imposing entity specifies the application of allocated
 32 increased homestead credits under subsection (c)(2)(C), the county
 33 auditor shall, for each calendar year in which an increased homestead
 34 credit is authorized under this section, determine:

35 (1) the amount of the certified distribution that is available to
 36 provide an increased homestead credit for the year; and

37 (2) except as provided in subsection (1), an increased percentage
 38 of homestead credit for each taxing district in the county that
 39 allocates to the taxing district an amount of increased homestead
 40 credits that bears the same proportion to the amount determined
 41 under subdivision (1) that the amount of inventory assessed value
 42 deducted under IC 6-1.1-12-42 in the taxing district for the
 43 immediately preceding year's assessment date bears to the total
 44 inventory assessed value deducted under IC 6-1.1-12-42 in the
 45 county for the immediately preceding year's assessment date.

46 (j) If the imposing entity specifies the application of allocated

1 increased residential property tax replacement credits under subsection
 2 (c)(2)(D), the county auditor shall determine for each calendar year in
 3 which an increased residential property tax replacement credit is
 4 authorized under this section:

5 (1) the amount of the certified distribution that is available to
 6 provide an increased residential property tax replacement credit
 7 for the year; and

8 (2) except as provided in subsection (1), an increased percentage
 9 of residential property tax replacement credit for each taxing
 10 district in the county that allocates to the taxing district an amount
 11 of increased residential property tax replacement credits that
 12 bears the same proportion to the amount determined under
 13 subdivision (1) that the amount of inventory assessed value
 14 deducted under IC 6-1.1-12-42 in the taxing district for the
 15 immediately preceding year's assessment date bears to the total
 16 inventory assessed value deducted under IC 6-1.1-12-42 in the
 17 county for the immediately preceding year's assessment date.

18 (k) The county auditor shall retain from the payments of the county's
 19 certified distribution an amount equal to the revenue lost, if any, due to
 20 the increase of the homestead credit or residential property tax
 21 replacement credit within the county. The money shall be distributed
 22 to the civil taxing units and school corporations of the county:

23 (1) as if the money were from property tax collections; and

24 (2) in such a manner that no civil taxing unit or school
 25 corporation will suffer a net revenue loss because of the
 26 allowance of an increased homestead credit or residential property
 27 tax replacement credit.

28 (l) Subject to the approval of the imposing entity, the county auditor
 29 may adjust the increased percentage of:

30 (1) homestead credit determined under subsection (i)(2) if the
 31 county auditor determines that the adjustment is necessary to
 32 achieve an equitable reduction of property taxes among the
 33 homesteads in the county; or

34 (2) residential property tax replacement credit determined under
 35 subsection (j)(2) if the county auditor determines that the
 36 adjustment is necessary to achieve an equitable reduction of
 37 property taxes among the residential property in the county.

38 SECTION 51. IC 6-3.5-8-12 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 12. (a) If the
 40 fiscal body of a municipality in a qualifying county adopts an ordinance
 41 under section 11(a) of this chapter, the department of local government
 42 finance may not certify a budget for the municipality under
 43 IC 6-1.1-17-16(f) for the 2002 calendar year that is greater than
 44 ninety-seven percent (97%) of the budget of the municipality certified
 45 by the department for the 2001 calendar year. The department of local
 46 government finance may not certify a budget for the municipality under

1 IC 6-1.1-17-16(f) for any later calendar year that is greater than
 2 ninety-seven percent (97%) of the budget of the municipality certified
 3 by the department for the calendar year that immediately precedes the
 4 later calendar year.

5 (b) If the fiscal body of a municipality in a qualifying county adopts
 6 an ordinance in a calendar year under section 11(c) of this chapter, the
 7 department of local government finance may not certify a budget for
 8 the municipality under IC 6-1.1-17-16(f) for the calendar year that
 9 immediately succeeds the calendar year in which the ordinance is
 10 adopted that is greater than ninety-seven percent (97%) of the budget
 11 of the municipality certified by the department for the calendar year in
 12 which the ordinance was adopted. The department of local government
 13 finance may not certify a budget for the municipality under
 14 IC 6-1.1-17-16(f) for any later calendar year that is greater than
 15 ninety-seven percent (97%) of the budget of the municipality certified
 16 by the department for the calendar year that immediately precedes the
 17 later calendar year.

18 (c) Before July 1 of 2002 and of each year thereafter, the department
 19 of local government finance shall review the budget approved for each
 20 municipality in a qualifying county in which a municipal option income
 21 tax is in effect to determine whether the restriction under subsection (a)
 22 or (b) has been applied. If the restriction has not been applied:

23 (1) the municipal option income tax is rescinded as of July 1 of
 24 the year in which the review was made;

25 (2) the municipality may not impose the municipal option income
 26 tax for any later year; and

27 (3) the municipality is:

28 (A) subject to subsection (d), if the municipality adopted the
 29 municipal option income tax in 2002; or

30 (B) subject to subsection (e), if the municipality adopted the
 31 municipal option income tax in a year that succeeds 2002.

32 (d) In May 2003, the department of state revenue shall determine for
 33 each municipality subject to this subsection the amount of tax revenue
 34 collected for the municipality after August 31, 2001, and before July 1,
 35 2002. The department of state revenue shall immediately notify the
 36 municipality of the amount determined under this subsection. Not later
 37 than thirty (30) days after receiving notification from the department
 38 of state revenue, the municipality shall transfer the amount determined
 39 by the department under this subsection from the municipality's general
 40 fund to the county family and children's fund of the qualifying county
 41 in which the municipality is located.

42 (e) In May 2004, and in May of each year thereafter, the department
 43 of state revenue shall determine for each municipality subject to this
 44 subsection the amount of tax revenue collected for the municipality
 45 after June 30 of the calendar year that precedes by two (2) years the
 46 calendar year in which the determination is made and before July 1 of

the year that immediately precedes the calendar year in which the determination is made. The department of state revenue shall immediately notify the municipality of the amount determined under this subsection. Not later than thirty (30) days after receiving notification from the department of state revenue, the municipality shall transfer the amount determined by the department under this section. **If the transfer is made before January 1, 2008, the municipality shall transfer the amount** from the municipality's general fund to the county family and children's fund of the qualifying county in which the municipality is located. **If the transfer is made after December 31, 2007, the municipality shall transfer the amount to the state child welfare fund established by IC 31-25-2-20.**

~~(f)~~ If a municipality makes a transfer from its general fund to the county's family and children's fund as described in subsection (d) or (e), the department of local government finance shall reduce by the amount transferred the county's maximum family and children's fund levy under IC 6-1.1-18.6 for the calendar year that immediately succeeds the year in which the transfer is made.

~~(g)~~ (f) This subsection applies if the fiscal body of a municipality in a qualifying county adopts an ordinance under section 11 of this chapter to impose a municipal option income tax. The maximum permissible ad valorem property tax levy of the municipality is not subject to any increase under IC 6-1.1-18.5-3(a) or IC 6-1.1-18.5-3(b) for taxes payable in:

- (1) the calendar year that immediately succeeds the calendar year in which the ordinance is adopted; and
- (2) each succeeding calendar year in which the municipal option income tax remains in effect.

~~(h)~~ (g) This subsection applies if the fiscal body of a municipality in a qualifying county adopts an ordinance under section 14 of this chapter to rescind the municipal option income tax, or if the municipal option income tax in a municipality is rescinded by operation of law. For purposes of IC 6-1.1-18.5-3(a) STEP ONE or IC 6-1.1-18.5-3(b) STEP ONE, the preceding calendar year is considered to be the calendar year in which an ordinance was adopted under section 11 of this chapter to impose the municipal option income tax.

SECTION 52. IC 6-3.5-8-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 20. (a) The department of local government finance shall each year reduce the general fund property tax levy of a municipality receiving a distribution under this chapter in that year. The municipality's general fund property tax levy shall be reduced by the amount of the distribution received or to be received by the municipality during the year. The department of local government finance shall certify to the auditor of the qualifying county the property tax rate applicable to the municipality's general

1 fund after the property tax reduction under this section.

2 (b) A municipality shall treat a distribution that the municipality
3 receives or is to receive during a particular calendar year as a part of
4 the municipality's property tax levy for the general fund for that same
5 calendar year for purposes of fixing the municipality's budget and for
6 purposes of the property tax levy limits imposed by IC 6-1.1-18.5.
7 However, the distributions shall not reduce the total county tax levy
8 that is used to compute the ~~state~~ property tax replacement credit under
9 ~~IC 6-1.1-21~~. **IC 6-10-3.** In addition, for purposes of computing and
10 distributing any excise taxes or income taxes in which the distribution
11 is based on property taxes, the distributions shall be treated as though
12 they were property taxes that were due and payable during that same
13 calendar year.

14 (c) A municipality may use distributions received under this chapter
15 for any purpose for which the municipality may use property tax
16 revenues.

17 SECTION 53. IC 6-5.5-8-2 IS AMENDED TO READ AS
18 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. (a) On or
19 before February 1, May 1, August 1, and December 1 of each year the
20 auditor of state shall transfer to each county auditor for distribution to
21 the taxing units (as defined in IC 6-1.1-1-21) in the county, an amount
22 equal to one-fourth (1/4) of the sum of the guaranteed amounts for all
23 the taxing units of the county. On or before August 1 of each year the
24 auditor of state shall transfer to each county auditor the supplemental
25 distribution for the county for the year.

26 (b) For purposes of determining distributions under subsection (c),
27 the department of local government finance shall determine a state
28 welfare allocation for each county calculated as follows:

29 (1) For 2000 and each year thereafter, the state welfare allocation
30 for each county equals the greater of zero (0) or the amount
31 determined under the following formula:

32 STEP ONE: For 1997, 1998, and 1999, determine the result
33 of:

34 (A) the amounts appropriated by the county in the year for
35 the county's county welfare fund and county welfare
36 administration fund; divided by

37 (B) the amounts appropriated by all the taxing units in the
38 county in the year.

39 STEP TWO: Determine the sum of the results determined in
40 STEP ONE.

41 STEP THREE: Divide the STEP TWO result by three (3).

42 STEP FOUR: Determine the amount that would otherwise be
43 distributed to all the taxing units in the county under
44 subsection (b) without regard to this subdivision.

45 STEP FIVE: Determine the result of:

46 (A) the STEP FOUR amount; multiplied by

- 1 (B) the STEP THREE result.
- 2 (2) The state welfare allocation shall be deducted from the
- 3 distributions otherwise payable under subsection (c) to the taxing
- 4 unit that is a county and shall be deposited in a special account
- 5 within the state general fund.
- 6 (c) **Except as provided in subsection (h)**, a taxing unit's guaranteed
- 7 distribution for a year is the greater of zero (0) or an amount equal to:
- 8 (1) the amount received by the taxing unit under IC 6-5-10
- 9 (repealed) and IC 6-5-11 (repealed) in 1989; minus
- 10 (2) the amount to be received by the taxing unit in the year of the
- 11 distribution, as determined by the department of local government
- 12 finance, from property taxes attributable to the personal property
- 13 of banks, exclusive of the property taxes attributable to personal
- 14 property leased by banks as the lessor where the possession of the
- 15 personal property is transferred to the lessee; minus
- 16 (3) in the case of a taxing unit that is a county, the amount that
- 17 would have been received by the taxing unit in the year of the
- 18 distribution, as determined by the department of local government
- 19 finance from property taxes that:
- 20 (A) were calculated for the county's county welfare fund and
- 21 county welfare administration fund for 2000 but were not
- 22 imposed because of the repeal of IC 12-19-3 and IC 12-19-4;
- 23 and
- 24 (B) would have been attributable to the personal property of
- 25 banks, exclusive of the property taxes attributable to personal
- 26 property leased by banks as the lessor where the possession of
- 27 the personal property is transferred to the lessee.
- 28 (d) The amount of the supplemental distribution for a county for a
- 29 year shall be determined using the following formula:
- 30 STEP ONE: Determine the greater of zero (0) or the difference
- 31 between:
- 32 (A) one-half (1/2) of the taxes that the department estimates
- 33 will be paid under this article during the year; minus
- 34 (B) the sum of all the guaranteed distributions, before the
- 35 subtraction of all state welfare allocations under subsection
- 36 (a), for all taxing units in all counties plus the bank personal
- 37 property taxes to be received by all taxing units in all counties,
- 38 as determined under subsection (c)(2) for the year.
- 39 STEP TWO: Determine the quotient of:
- 40 (A) the amount received under IC 6-5-10 (repealed) and
- 41 IC 6-5-11 (repealed) in 1989 by all taxing units in the county;
- 42 divided by
- 43 (B) the sum of the amounts received under IC 6-5-10
- 44 (repealed) and IC 6-5-11 (repealed) in 1989 by all taxing units
- 45 in all counties.
- 46 STEP THREE: Determine the product of:

- 1 (A) the amount determined in STEP ONE; multiplied by
- 2 (B) the amount determined in STEP TWO.
- 3 STEP FOUR: Determine the greater of zero (0) or the difference
- 4 between:
- 5 (A) the amount of supplemental distribution determined in
- 6 STEP THREE for the county; minus
- 7 (B) the amount of refunds granted under IC 6-5-10-7
- 8 (repealed) that have yet to be reimbursed to the state by the
- 9 county treasurer under IC 6-5-10-13 (repealed).
- 10 For the supplemental distribution made on or before August 1 of each
- 11 year, the department shall adjust the amount of each county's
- 12 supplemental distribution to reflect the actual taxes paid under this
- 13 article for the preceding year.
- 14 (e) Except as provided in ~~subsection~~ **subsections (g) and (h)**, the
- 15 amount of the supplemental distribution for each taxing unit shall be
- 16 determined using the following formula:
- 17 STEP ONE: Determine the quotient of:
- 18 (A) the amount received by the taxing unit under IC 6-5-10
- 19 (repealed) and IC 6-5-11 (repealed) in 1989; divided by
- 20 (B) the sum of the amounts used in STEP ONE (A) for all
- 21 taxing units located in the county.
- 22 STEP TWO: Determine the product of:
- 23 (A) the amount determined in STEP ONE; multiplied by
- 24 (B) the supplemental distribution for the county, as determined
- 25 in subsection (d), STEP FOUR.
- 26 (f) The county auditor shall distribute the guaranteed and
- 27 supplemental distributions received under subsection (a) to the taxing
- 28 units in the county at the same time that the county auditor makes the
- 29 semiannual distribution of real property taxes to the taxing units.
- 30 (g) The amount of a supplemental distribution paid to a taxing unit
- 31 that is a county shall be reduced by an amount equal to:
- 32 (1) the amount the county would receive under subsection (e)
- 33 without regard to this subsection; minus
- 34 (2) an amount equal to:
- 35 (A) the amount under subdivision (1); multiplied by
- 36 (B) the result of the following:
- 37 (i) Determine the amounts appropriated by the county in
- 38 1997, 1998, and 1999, from the county's county welfare fund
- 39 and county welfare administration fund, divided by the total
- 40 amounts appropriated by all the taxing units in the county in
- 41 the year.
- 42 (ii) Divide the amount determined in item (i) by three (3).
- 43 **(h) The amount of any distribution under this section paid to a**
- 44 **taxing unit that is a county shall be reduced by an amount, as**
- 45 **determined by the department of local government finance for**
- 46 **each county, equal to the result determined under STEP SIX of the**

1 following formula:

2 STEP ONE: For 2005, 2006, and 2007, determine the result
3 of:

4 (A) the amounts appropriated by the county in the year for
5 the personnel and other operating expenses of the circuit,
6 superior, probate, and county courts in the county that
7 after 2007 will be paid by the state under IC 33-23-15-6;
8 divided by

9 (B) the amounts appropriated by all the taxing units in the
10 county for the year.

11 STEP TWO: Determine the sum of the results determined
12 under STEP ONE.

13 STEP THREE: Divide the STEP TWO result by three (3).

14 STEP FOUR: Determine the amount of the financial
15 institutions tax that would otherwise be distributed to taxing
16 units in the county under this section.

17 STEP FIVE: Determine the result of:

18 (A) the STEP FOUR amount; multiplied by

19 (B) the STEP THREE result.

20 STEP SIX: Determine the greater of:

21 (A) zero (0); or

22 (B) the STEP FIVE amount.

23 The amount deducted under this subsection shall be deposited in
24 the state general fund.

25 SECTION 54. IC 6-6-5-10 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 10. (a) The
27 bureau shall establish procedures necessary for the collection of the tax
28 imposed by this chapter and for the proper accounting for the same.
29 The necessary forms and records shall be subject to approval by the
30 state board of accounts.

31 (b) The county treasurer, upon receiving the excise tax collections,
32 shall receipt such collections into a separate account for settlement
33 thereof at the same time as property taxes are accounted for and settled
34 in June and December of each year, with the right and duty of the
35 treasurer and auditor to make advances prior to the time of final
36 settlement of such property taxes in the same manner as provided in
37 IC 5-13-6-3.

38 (c) Except as provided in subsection (f), the county auditor shall
39 determine the total amount of excise taxes collected for each taxing
40 unit in the county and the amount so collected (and the distributions
41 received under section 9.5 of this chapter) shall be apportioned and
42 distributed among the respective funds of each taxing unit in the same
43 manner and at the same time as property taxes are apportioned and
44 distributed. However, for purposes of determining distributions under
45 this section for 2000 and each year thereafter, the state welfare
46 allocation for each county equals the greater of zero (0) or the amount
47 determined under STEP FIVE of the following STEPS:

1 STEP ONE: For 1997, 1998, and 1999, determine the result of:

2 (i) the amounts appropriated by the county in the year from the
3 county's county welfare fund and county welfare
4 administration fund; divided by

5 (ii) the total amounts appropriated by all the taxing units in the
6 county in the year.

7 STEP TWO: Determine the sum of the results determined in
8 STEP ONE.

9 STEP THREE: Divide the STEP TWO result by three (3).

10 STEP FOUR: Determine the amount that would otherwise be
11 distributed to all the taxing units in the county under this
12 subsection without regard to this subdivision.

13 STEP FIVE: Determine the result of:

14 (i) the STEP FOUR amount; multiplied by

15 (ii) the STEP THREE result.

16 The state welfare allocation shall be deducted from the total amount
17 available for apportionment and distribution to taxing units under this
18 section before any apportionment and distribution is made. The county
19 auditor shall remit the state welfare allocation to the treasurer of state
20 for deposit in a special account within the state general fund.

21 (d) Such determination shall be made from copies of vehicle
22 registration forms furnished by the bureau of motor vehicles. Prior to
23 such determination, the county assessor of each county shall, from
24 copies of registration forms, cause information pertaining to legal
25 residence of persons owning taxable vehicles to be verified from the
26 assessor's records, to the extent such verification can be so made. The
27 assessor shall further identify and verify from the assessor's records the
28 several taxing units within which such persons reside.

29 (e) Such verifications shall be done by not later than thirty (30) days
30 after receipt of vehicle registration forms by the county assessor, and
31 the assessor shall certify such information to the county auditor for the
32 auditor's use as soon as it is checked and completed.

33 **(f) The amount of any distribution under this section paid to a**
34 **taxing unit that is a county shall be reduced by an amount, as**
35 **determined by the department of local government finance for**
36 **each county, equal to the result determined under STEP SIX of the**
37 **following formula:**

38 **STEP ONE: For 2005, 2006, and 2007, determine the result**
39 **of:**

40 **(A) the amounts appropriated by the county in the year for**
41 **the personnel and other operating expenses of the circuit,**
42 **superior, probate, and county courts in the county that**
43 **after 2007 will be paid by the state under IC 33-23-15-6;**
44 **divided by**

45 **(B) the amounts appropriated by all the taxing units in the**
46 **county for the year.**

STEP TWO: Determine the sum of the results determined under STEP ONE.

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount of the motor vehicle excise tax that would otherwise be distributed to taxing units in the county under this section.

STEP FIVE: Determine the result of:

(A) the STEP FOUR amount; multiplied by

(B) the STEP THREE result.

STEP SIX: Determine the greater of:

(A) zero (0); or

(B) the STEP FIVE amount.

The amount deducted under this subsection shall be deposited in the state general fund.

SECTION 55. IC 6-6-5.5-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 20. (a) **Except as provided in subsection (f)**, on or before May 1, the auditor of state shall distribute to each county auditor an amount equal to fifty percent (50%) of the total base revenue to be distributed to all taxing units in the county for that year.

(b) On or before December 1, the auditor of state shall distribute to each county auditor an amount equal to the greater of the following:

(1) Fifty percent (50%) of the total base revenue to be distributed to all taxing units in the county for that year.

(2) The product of the county's distribution percentage multiplied by the total commercial vehicle excise tax revenue deposited in the commercial vehicle excise tax fund.

(c) Upon receipt, the county auditor shall distribute to the taxing units an amount equal to the product of the taxing unit's distribution percentage multiplied by the total distributed to the county under this section. The amount determined shall be apportioned and distributed among the respective funds of each taxing unit in the same manner and at the same time as property taxes are apportioned and distributed.

(d) In the event that sufficient funds are not available in the commercial vehicle excise tax fund for the distributions required by subsection (a) and subsection (b)(1), the auditor of state shall transfer funds from the commercial vehicle excise tax reserve fund.

(e) The auditor of state shall, not later than July 1 of each year, furnish to each county auditor an estimate of the amounts to be distributed to the counties under this section during the next calendar year. Before August 1, each county auditor shall furnish to the proper officer of each taxing unit of the county an estimate of the amounts to be distributed to the taxing units under this section during the next calendar year and the budget of each taxing unit shall show the estimated amounts to be received for each fund for which a property tax is proposed to be levied.

(f) The amount of any distribution under this section paid to a taxing unit that is a county shall be reduced by an amount, as determined by the department of local government finance for each county, equal to the result determined under STEP SIX of the following formula:

STEP ONE: For 2005, 2006, and 2007, determine the result of:

(A) the amounts appropriated by the county in the year for the personnel and other operating expenses of the circuit, superior, probate, and county courts in the county that after 2007 will be paid by the state under IC 33-23-15-6; divided by

(B) the amounts appropriated by all the taxing units in the county for the year.

STEP TWO: Determine the sum of the results determined under STEP ONE.

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount of the commercial vehicle excise tax that would otherwise be distributed to taxing units in the county under this section.

STEP FIVE: Determine the result of:

(A) the STEP FOUR amount; multiplied by

(B) the STEP THREE result.

STEP SIX: Determine the greater of:

(A) zero (0); or

(B) the STEP FIVE amount.

The amount deducted under this subsection shall be deposited in the state general fund.

SECTION 56. IC 6-6-6.5-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 21. (a) The department shall allocate each aircraft excise tax payment collected by it to the county in which the aircraft is usually located when not in operation or to the aircraft owner's county of residence if based out of state. **Except as provided in subsection (f)**, the department shall distribute to each county treasurer on a quarterly basis the aircraft excise taxes which were collected by the department during the preceding three (3) months and which the department has allocated to that county. The distribution shall be made on or before the fifteenth of the month following each quarter and the first distribution each year shall be made in April.

(b) Concurrently with making a distribution of aircraft excise taxes, the department shall send an aircraft excise tax report to the county treasurer and the county auditor. The department shall prepare the report on the form prescribed by the state board of accounts. The aircraft excise tax report must include aircraft identification, owner information, and excise tax payment, and must indicate the county where the aircraft is normally kept when not in operation. The

department shall, in the manner prescribed by the state board of accounts, maintain records concerning the aircraft excise taxes received and distributed by it.

(c) Except as provided in section 21.5 of this chapter, each county treasurer shall deposit money received ~~by him~~ under this chapter in a separate fund to be known as the "aircraft excise tax fund". The money in the aircraft excise tax fund shall be distributed to the taxing units of the county in the manner prescribed in subsection (d).

(d) In order to distribute the money in the county aircraft excise tax fund to the taxing units of the county, the county auditor shall first allocate the money in the fund among the taxing districts of the county. In making these allocations, the county auditor shall allocate to a taxing district the excise taxes collected with respect to aircraft usually located in the taxing district when not in operation. The money allocated to a taxing district shall be apportioned and distributed among the taxing units of that taxing district in the same manner and at the same time that the property taxes are apportioned and distributed.

(e) Within thirty (30) days following the receipt of excise taxes from the department, the county treasurer shall file a report with the county auditor concerning the aircraft excise taxes collected by the county treasurer. The county treasurer shall file the report on the form prescribed by the state board of accounts. The county treasurer shall, in the manner and at the times prescribed in IC 6-1.1-27, make a settlement with the county auditor for the aircraft excise taxes collected by the county treasurer. The county treasurer shall, in the manner prescribed by the state board of accounts, maintain records concerning the aircraft excise taxes received and distributed by ~~him~~; **the treasurer.**

(f) The amount of any distribution under this section paid to a taxing unit that is a county shall be reduced by an amount, as determined by the department of local government finance for each county, equal to the result determined under STEP SIX of the following formula:

STEP ONE: For 2005, 2006, and 2007, determine the result of:

(A) the amounts appropriated by the county in the year for the personnel and other operating expenses of the circuit, superior, probate, and county courts in the county that after 2007 will be paid by the state under IC 33-23-15-6; divided by

(B) the amounts appropriated by all the taxing units in the county for the year.

STEP TWO: Determine the sum of the results determined under STEP ONE.

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount of the aircraft excise tax that would otherwise be distributed to taxing units in the

1 **county under this section.**

2 **STEP FIVE: Determine the result of:**

3 **(A) the STEP FOUR amount; multiplied by**

4 **(B) the STEP THREE result.**

5 **STEP SIX: Determine the greater of:**

6 **(A) zero (0); or**

7 **(B) the STEP FIVE amount.**

8 **The amount deducted under this subsection shall be deposited in**
 9 **the state general fund.**

10 SECTION 57. IC 6-6-9-11 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 11. (a) All
 12 revenues collected from the auto rental excise tax shall be deposited in
 13 a special account of the state general fund called the auto rental excise
 14 tax account.

15 (b) On or before May 20 and November 20 of each year, all amounts
 16 held in the auto rental excise tax account shall be distributed to the
 17 county treasurers of Indiana.

18 (c) **Except as provided in subsection (h)**, the amount to be
 19 distributed to a county treasurer equals that part of the total auto rental
 20 excise taxes being distributed that were initially imposed and collected
 21 from within that treasurer's county. The department shall notify each
 22 county auditor of the amount of taxes to be distributed to the county
 23 treasurer. At the same time each distribution is made to a county
 24 treasurer, the department shall certify to the county auditor each taxing
 25 district within the county where auto rental excise taxes were collected
 26 and the amount of the county distribution that was collected with
 27 respect to each taxing district.

28 (d) The county treasurer shall deposit auto rental excise tax
 29 collections into a separate account for settlement at the same time as
 30 property taxes are accounted for and settled in June and December of
 31 each year.

32 (e) The county auditor shall apportion and the county treasurer shall
 33 distribute the auto rental excise taxes among the taxing units of the
 34 county in the same manner that property taxes are apportioned and
 35 distributed with respect to property located in the taxing district where
 36 the auto rental excise tax was initially imposed and collected. The auto
 37 rental excise taxes distributed to a taxing unit shall be allocated among
 38 the taxing unit's funds in the same proportions that the taxing unit's
 39 property tax collections are allocated among those funds.

40 (f) Taxing units of a county may request and receive advances of
 41 auto rental excise tax revenues in the manner provided under
 42 IC 5-13-6-3.

43 (g) All distributions from the auto rental excise tax account shall be
 44 made by warrants issued by the auditor of state to the treasurer of state
 45 ordering those payments to the appropriate county treasurer.

46 **(h) The amount of any distribution under this section paid to a**

taxing unit that is a county shall be reduced by an amount, as determined by the department of local government finance for each county, equal to the result determined under STEP SIX of the following formula:

STEP ONE: For 2005, 2006, and 2007, determine the result of:

(A) the amounts appropriated by the county in the year for the personnel and other operating expenses of the circuit, superior, probate, and county courts in the county that after 2007 will be paid by the state under IC 33-23-15-6; divided by

(B) the amounts appropriated by all the taxing units in the county for the year.

STEP TWO: Determine the sum of the results determined under STEP ONE.

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount of the auto rental excise tax that would otherwise be distributed to taxing units in the county under this section.

STEP FIVE: Determine the result of:

(A) the STEP FOUR amount; multiplied by

(B) the STEP THREE result.

STEP SIX: Determine the greater of:

(A) zero (0); or

(B) the STEP FIVE amount.

The amount deducted under this subsection shall be deposited in the state general fund.

SECTION 58. IC 6-6-11-31 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 31. (a) A boat excise tax fund is established in each county. Each county treasurer shall deposit in the fund the taxes received under this chapter.

(b) Except as provided in subsection (c), the excise tax money in the county boat excise tax fund shall be distributed to the taxing units of the county. The county auditor shall allocate the money in the fund among the taxing units of the county based on the tax situs of each boat. The money allocated to the taxing units shall be apportioned and distributed among the funds of the taxing units in the same manner and at the same time that property taxes are apportioned and distributed.

(c) The amount of any distribution under this section paid to a taxing unit that is a county shall be reduced by an amount, as determined by the department of local government finance for each county, equal to the result determined under STEP SIX of the following formula:

STEP ONE: For 2005, 2006, and 2007, determine the result of:

(A) the amounts appropriated by the county in the year for the personnel and other operating expenses of the circuit,

superior, probate, and county courts in the county that after 2007 will be paid by the state under IC 33-23-15-6; divided by

(B) the amounts appropriated by all the taxing units in the county for the year.

STEP TWO: Determine the sum of the results determined under STEP ONE.

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount of the boat excise tax that would otherwise be distributed to taxing units in the county under this section.

STEP FIVE: Determine the result of:

(A) the STEP FOUR amount; multiplied by

(B) the STEP THREE result.

STEP SIX: Determine the greater of:

(A) zero (0); or

(B) the STEP FIVE amount.

The amount deducted under this subsection shall be deposited in the state general fund.

SECTION 59. IC 6-8.1-1-1, AS AMENDED BY P.L.162-2006, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. "Listed taxes" or "taxes" includes only the pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the river boat admissions tax (IC 4-33-12); the river boat wagering tax (IC 4-33-13); the gross income tax (IC 6-2.1) (repealed); the utility receipts and utility services use taxes (IC 6-2.3); the state gross retail and use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3); the supplemental net income tax (IC 6-3-8) (repealed); the county adjusted gross income tax (IC 6-3.5-1.1); the county option income tax (IC 6-3.5-6); the county economic development income tax (IC 6-3.5-7); the municipal option income tax (IC 6-3.5-8); the auto rental excise tax (IC 6-6-9); the financial institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the alternative fuel permit fee (IC 6-6-2.1); the special fuel tax (IC 6-6-2.5); the motor carrier fuel tax (IC 6-6-4.1); a motor fuel tax collected under a reciprocal agreement under IC 6-8.1-3; the motor vehicle excise tax (IC 6-6-5); the commercial vehicle excise tax (IC 6-6-5.5); the hazardous waste disposal tax (IC 6-6-6.6); the cigarette tax (IC 6-7-1); **the supplemental local property tax replacement income tax (IC 6-10-5)**; the beer excise tax (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the wine excise tax (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5); the malt excise tax (IC 7.1-4-5); the petroleum severance tax (IC 6-8-1); the various innkeeper's taxes (IC 6-9); the various food and beverage taxes (IC 6-9); the county admissions tax (IC 6-9-13 and IC 6-9-28); the oil inspection fee (IC 16-44-2); the emergency and hazardous chemical inventory form fee (IC 6-6-10); the penalties assessed for oversize vehicles (IC 9-20-3

and IC 9-30); the fees and penalties assessed for overweight vehicles (IC 9-20-4 and IC 9-30); the underground storage tank fee (IC 13-23); the solid waste management fee (IC 13-20-22); and any other tax or fee that the department is required to collect or administer.

SECTION 60. IC 6-10 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]:

ARTICLE 10. SUPPLEMENTAL LOCAL PROPERTY TAX REPLACEMENT INCOME TAX

Chapter 1. Purpose

Sec. 1. The purpose of this article is to:

- (1) provide property tax relief to property taxpayers from a dedicated source of supplemental income tax revenue; and
- (2) fairly allocate property tax relief back to the property taxpayers in a county in proportion to the supplemental income tax paid by supplemental income taxpayers in the county.

Sec. 2. This article shall be liberally constructed to carry out the purposes of this article.

Chapter 2. Definitions

Sec. 1. The definitions in IC 6-1.1-1 and IC 36-1-2 apply throughout this article.

Sec. 2. The definitions in this chapter apply throughout this article.

Sec. 3. "2006 certified homestead distribution" refers to the state distribution to a county in 2006 to replace revenue lost as the result of the granting of homestead credits in the county under IC 6-1.1-20.9-2 (repealed), as certified under IC 6-10-7-1(1).

Sec. 4. "2006 certified property tax relief distribution" refers to the sum of a county's 2006 certified homestead distribution and 2006 certified property tax replacement distribution, as certified under IC 6-10-7-1(3).

Sec. 5. "2006 certified property tax replacement distribution" refers to the state distribution to a county in 2006 to replace revenue lost as the result of the granting of property tax replacement credits in the county under IC 6-1.1-21-5 (repealed), as certified under IC 6-10-7-1(2).

Sec. 6. "Additional supplemental income revenue" refers to the amount by which the certified actual supplemental income tax revenue of all counties exceeds the 2006 certified property tax relief distribution amount for all counties, as determined under IC 6-10-7-9.

Sec. 7. "Adjusted gross income", for purposes of determining the adjusted gross income of:

- (1) a resident income taxpayer, means adjusted gross income (as defined in IC 6-3-1-3.5(a) but determined by adding back the deduction permitted under IC 6-3-1-3.5(a)(6)), regardless

1 of where the adjusted gross income is earned; and
 2 (2) a nonresident income taxpayer, includes only the
 3 individual's adjusted gross income (as defined in
 4 IC 6-3-1-3.5(a) but determined by adding back the deduction
 5 permitted under IC 6-3-1-3.5(a)(6)) derived from the
 6 nonresident income taxpayer's principal place of business or
 7 employment.

8 Sec. 8. "Auditor's abstract" means the annual report prepared
 9 by each county auditor that, under IC 6-1.1-22-5, is to be filed on
 10 or before March 1 of each year with the auditor of state.

11 Sec. 9. "Business personal property" means tangible personal
 12 property that is being:

- 13 (1) held for sale in the ordinary course of a trade or business;
- 14 or
- 15 (2) held, used, or consumed in connection with the production
- 16 of income.

17 Sec. 10. "Certified actual supplemental income tax revenue"
 18 refers to the amount of supplemental income tax revenue raised in
 19 a county for a particular year as certified under IC 6-10-7-5.

20 Sec. 11. "Certified homestead distribution" refers to the amount
 21 distributed under IC 6-10-7-3 to a county in a year to replace
 22 revenue lost as a result of granting homestead credits in the county
 23 under IC 6-10-4.

24 Sec. 12. "Certified property tax replacement distribution"
 25 refers to the amount distributed under IC 6-10-7-2 to a county in
 26 a year to replace revenue lost as a result of granting property tax
 27 replacement credits in the county under IC 6-10-3.

28 Sec. 13. "Dwelling" means any of the following:

- 29 (1) Residential real property improvements that an individual
- 30 uses as the individual's residence, including a house or garage.
- 31 (2) A mobile home that is not assessed as real property that an
- 32 individual uses as the individual's residence.
- 33 (3) A manufactured home that is not assessed as real property
- 34 that an individual uses as the individual's residence.

35 Sec. 14. "Eligible property tax replacement amount" is equal to
 36 the sum of the following:

- 37 (1) Sixty percent (60%) of the total county tax levy imposed
- 38 by each school corporation in a county for its general fund for
- 39 a stated assessment year.
- 40 (2) Twenty percent (20%) of the total county tax levy (less
- 41 sixty percent (60%) of the levy for the general fund of a school
- 42 corporation that is part of the total county tax levy) imposed
- 43 in a county on real property for a stated assessment year.
- 44 (3) Twenty percent (20%) of the total county tax levy (less
- 45 sixty percent (60%) of the levy for the general fund of a school
- 46 corporation that is part of the total county tax levy) imposed
- 47 in a county on tangible personal property, excluding business

1 personal property, for an assessment year.

2 **Sec. 15. "Homestead"** means an individual's principal place of
3 residence that:

4 (1) is located in Indiana;

5 (2) the individual:

6 (A) owns;

7 (B) is buying under a contract, recorded in the county
8 recorder's office, that provides that the individual is to pay
9 the property taxes on the residence; or

10 (C) has a beneficial interest in, as described in
11 IC 6-10-4-4(c); and

12 (3) consists of a dwelling and the real estate, not exceeding one
13 (1) acre, that immediately surrounds that dwelling.

14 **Sec. 16. "Homestead credit"** refers to a credit against property
15 tax liability granted under IC 6-10-4.

16 **Sec. 17. "Income tax determination date"** means January 1 of
17 the calendar year in which the individual's taxable year begins.

18 **Sec. 18. "Mobile home"** has the meaning set forth in
19 IC 6-1.1-1-8.7.

20 **Sec. 19. "Mobile home assessments"** means the assessments of
21 mobile homes made under IC 6-1.1-7.

22 **Sec. 20. "Nonresident income taxpayer"** means an individual
23 who:

24 (1) maintains a principal place of business or employment in
25 a county in Indiana on the income tax determination date for
26 the individual's taxable year; and

27 (2) is not a resident income taxpayer of any county in Indiana
28 on the income tax determination date for the individual's
29 taxable year.

30 **Sec. 21. "Postabstract adjustments"** means adjustments in taxes
31 made subsequent to the filing of an auditor's abstract that change
32 assessments or add assessments of omitted property affecting taxes
33 for the assessment year.

34 **Sec. 22. (a) "Property tax"** means property taxes payable in
35 respect to property assessed under IC 6-1.1. The term includes any
36 special charges that a county treasurer combines with all other
37 taxes in the preparation and delivery of the tax statements
38 required under IC 6-1.1-22-8(a).

39 (b) The term does not include special assessments, penalties, or
40 interest.

41 **Sec. 23. "Property tax liability"** refers to the amount of a
42 property taxpayer's liability for property taxes computed under
43 IC 6-10-3-4.

44 **Sec. 24. "Property tax replacement credit"** refers to a credit
45 against a property taxpayer's property tax liability granted under
46 IC 6-10-3.

47 **Sec. 25. "Property taxpayer"** means a person who is liable for

1 property taxes.

2 Sec. 26. "Resident income taxpayer" means an individual who
3 resides, as determined under IC 6-10-5-3, in a county in Indiana on
4 the income tax determination date for the individual's taxable year.

5 Sec. 27. "Supplemental homestead distribution" refers to the
6 additional supplemental income revenue that is available in a
7 particular year to increase the amount of homestead credits
8 granted in a county, as determined under IC 6-10-7-11.

9 Sec. 28. "Supplemental income tax" refers to a supplemental
10 local property tax replacement income tax imposed under this
11 article.

12 Sec. 29. "Supplemental income taxpayer" means the following:

- 13 (1) A resident income taxpayer.
- 14 (2) A nonresident income taxpayer.

15 Sec. 30. "Supplemental property tax replacement distribution"
16 refers to the additional supplemental income revenue that is
17 available in a particular year to increase the amount of property
18 tax replacement credits granted in a county, as determined under
19 IC 6-10-7-10.

20 Sec. 31. "Tax duplicate" means the roll of property taxes that
21 each county auditor is required to prepare on or before March 1
22 of each year under IC 6-1.1-22-3.

23 Sec. 32. "Taxing unit" has the meaning set forth in
24 IC 6-1.1-1-21.

25 Sec. 33. "Taxpayer's property tax replacement credit
26 amount" refers to the amount of a property taxpayer's property tax
27 replacement credit determined under IC 6-10-3-6.

28 Sec. 34. "Total county tax levy" means the sum of:

- 29 (1) the remainder of:
 - 30 (A) the aggregate levy of all taxes for all taxing units in a
 - 31 county that are to be paid in the county for a stated
 - 32 assessment year as reflected by the auditor's abstract for
 - 33 the assessment year, adjusted, however, for any
 - 34 postabstract adjustments that change the amount of the
 - 35 aggregate levy; minus
 - 36 (B) the sum of any increases in property tax levies of taxing
 - 37 units of the county that result from appeals described in:
 - 38 (i) IC 6-1.1-18.5-13(4) and IC 6-1.1-18.5-13(5) filed after
 - 39 December 31, 1982; plus
 - 40 (ii) the sum of any increases in property tax levies of
 - 41 taxing units of the county that result from any other
 - 42 appeals described in IC 6-1.1-18.5-13 filed after
 - 43 December 31, 1983; minus
 - 44 (C) the total amount of property taxes imposed for the
 - 45 stated assessment year by the taxing units of the county
 - 46 under the authority of IC 12-1-11.5 (repealed), IC 12-2-4.5
 - 47 (repealed), IC 12-19-5 (repealed), or IC 12-20-24; minus

(D) the total amount of property taxes to be paid during the stated assessment year that will be used to pay interest or principal due on debt that:

(i) is entered into after December 31, 1983;

(ii) is not debt that is issued under IC 5-1-5 to refund debt incurred before January 1, 1984; and

(iii) does not constitute debt entered into for the purpose of building, repairing, or altering school buildings for which the requirements of IC 20-5-52 (repealed) were satisfied before January 1, 1984; minus

(E) the amount of property taxes imposed in the county for the stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(F) the remainder of:

(i) the total property taxes imposed in the county for the stated assessment year under authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(ii) the total property taxes imposed in the county for the 1984 stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(G) the amount of property taxes imposed in the county for the stated assessment year under:

(i) IC 21-2-15 (repealed) or IC 20-40-8 for a capital projects fund; plus

(ii) IC 6-1.1-19-10 (repealed) or IC 20-40-5 for a racial balance fund; plus

(iii) IC 36-12-12 for a library capital projects fund; plus

(iv) IC 36-10-13-7 for an art association fund; plus

(v) IC 21-2-17 (repealed) or IC 20-46-2 for a special education preschool fund; plus

(vi) IC 21-2-11.6 (repealed) for a referendum tax levy fund; plus

(vii) an appeal filed under IC 6-1.1-19-5.1 (repealed) or IC 20-40-3 for an increase in a school corporation's maximum permissible general fund levy for certain

- 1 transfer tuition costs; plus
- 2 (viii) an appeal filed under IC 6-1.1-19-5.4 (repealed) or
- 3 IC 20-46-4-6 for an increase in a school corporation's
- 4 maximum permissible transportation fund levy for
- 5 transportation operating costs; minus
- 6 (H) the amount of property taxes imposed by a school
- 7 corporation that is attributable to the passage, after 1983,
- 8 of a referendum for an excessive tax levy under IC 6-1.1-19
- 9 including any increases in these property taxes that are
- 10 attributable to the adjustment set forth in IC 6-1.1-19-1.5
- 11 (repealed) or IC 20-45-3, or any other law; minus
- 12 (I) for each township in the county, the lesser of:
 - 13 (i) the sum of the amount determined in
 - 14 IC 6-1.1-18.5-19(a) STEP THREE (as effective January
 - 15 1, 1990) or IC 6-1.1-18.5-19(b) STEP THREE (as
 - 16 effective January 1, 1990), whichever is applicable, plus
 - 17 the part, if any, of the township's ad valorem property
 - 18 tax levy for calendar year 1989 that represents increases
 - 19 in that levy that resulted from an appeal described in
 - 20 IC 6-1.1-18.5-13(4) (as effective before January 1, 1989),
 - 21 filed after December 31, 1982; or
 - 22 (ii) the amount of property taxes imposed in the
 - 23 township for the stated assessment year under the
 - 24 authority of IC 36-8-13-4; minus
- 25 (J) for each participating unit in a fire protection territory
- 26 established under IC 36-8-19-1, the amount of property
- 27 taxes levied by each participating unit under IC 36-8-19-8
- 28 and IC 36-8-19-8.5 less the maximum levy limit for each of
- 29 the participating units that would have otherwise been
- 30 available for fire protection services under IC 6-1.1-18.5-3
- 31 and IC 6-1.1-18.5-19 for that same year; plus
- 32 (2) all taxes to be paid in the county in respect to mobile home
- 33 assessments currently assessed for the year in which the taxes
- 34 stated in the abstract are to be paid; plus
- 35 (3) the amounts, if any, of county adjusted gross income taxes
- 36 that were applied by the taxing units in the county as property
- 37 tax replacement credits to reduce the individual levies of the
- 38 taxing units for the assessment year, as provided in
- 39 IC 6-3.5-1.1; plus
- 40 (4) the amounts, if any, by which the maximum permissible ad
- 41 valorem property tax levies of the taxing units of the county
- 42 were reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the
- 43 stated assessment year; plus
- 44 (5) the difference between:
 - 45 (A) the amount determined in IC 6-1.1-18.5-3(e) STEP
 - 46 FOUR; minus
 - 47 (B) the amount the civil taxing units' levies were increased

1 because of the reduction in the civil taxing units' base year
2 certified shares under IC 6-1.1-18.5-3(e).

3 **Chapter 3. Property Tax Replacement Credit**

4 **Sec. 1.** Each year the property taxpayers of each county shall
5 receive a credit for property tax replacement in the amount of each
6 taxpayer's property tax replacement credit amount for property
7 taxes that:

8 (1) under IC 6-1.1-22-9 are due and payable in May and
9 November of that year; or

10 (2) under IC 6-1.1-22-9.5 are due in installments established
11 by the department of local government finance for that year.

12 **Sec. 2.** The credit under this chapter shall be applied to each
13 installment of property taxes.

14 **Sec. 3.** The dollar amount of the credit under this chapter for
15 each property taxpayer shall be determined by the county auditor,
16 based on data furnished by the department of local government
17 finance.

18 **Sec. 4. (a)** Subject to subsection (b), the property tax liability of
19 a taxpayer for the purpose of computing the credit under this
20 chapter for a particular year must be based on:

21 (1) the taxpayer's property tax as evidenced by the tax
22 duplicate for the taxes payable in that year; plus

23 (2) the amount by which the property tax payable by the
24 taxpayer had been reduced due to the application of county
25 adjusted gross income tax revenues to the extent the county
26 adjusted gross income tax revenues were included in the
27 determination of the total county tax levy for that year;

28 as adjusted for any change in assessed valuation that may have
29 been made under a postabstract adjustment if the change is set
30 forth on the tax statement or on a corrected tax statement stating
31 the taxpayer's tax liability, as prepared by the county treasurer in
32 accordance with IC 6-1.1-22-8(a).

33 **(b)** The property tax liability of a taxpayer does not include the
34 amount of any property tax owed by the taxpayer that is
35 attributable to that part of any property tax levy subtracted under
36 IC 6-10-2-34(1)(B), IC 6-10-2-34(1)(C), IC 6-10-2-34(1)(D),
37 IC 6-10-2-34(1)(E), IC 6-10-2-34(1)(F), IC 6-10-2-34(1)(G),
38 IC 6-10-2-34(1)(H), IC 6-10-2-34(1)(I), or IC 6-10-2-34(1)(J) in
39 computing the total county tax levy.

40 **Sec. 5.** The credit under this chapter for property taxes payable
41 in a particular year with respect to mobile homes that are assessed
42 under IC 6-1.1-7 is equivalent to the taxpayer's property tax
43 replacement credit amount for the taxes payable with respect to
44 the assessments plus the adjustments described in section 4 of this
45 chapter.

46 **Sec. 6.** A property taxpayer's property tax replacement credit
47 amount is the amount determined under STEP SEVEN of the

1 following formula:

2 STEP ONE: Determine the county's certified property tax
3 replacement distribution for the year.

4 STEP TWO: Determine the county's eligible property tax
5 replacement amount for the year.

6 STEP THREE: Determine the result of:

7 (A) the STEP ONE amount; divided by

8 (B) the STEP TWO amount;

9 rounded to the nearest ten thousandth (0.0001).

10 STEP FOUR: Determine the result of:

11 (A) sixty percent (60%) of a taxpayer's tax liability in a
12 calendar year for property taxes imposed by a school
13 corporation for its general fund for a stated assessment
14 year; multiplied by

15 (B) the STEP THREE result.

16 STEP FIVE: Determine the result of:

17 (A) twenty percent (20%) of a taxpayer's tax liability for
18 a stated assessment year for a total county tax levy (less
19 sixty percent (60%) of the levy for the general fund of a
20 school corporation that is part of the total county tax levy)
21 on real property; multiplied by

22 (B) the STEP THREE result.

23 STEP SIX: Determine the result of:

24 (A) twenty percent (20%) of a taxpayer's tax liability for
25 a stated assessment year for a total county tax levy (less
26 sixty percent (60%) of the levy for the general fund of a
27 school corporation that is part of the total county tax levy)
28 on tangible personal property other than business personal
29 property; multiplied by

30 (B) the STEP THREE result.

31 STEP SEVEN: Determine the sum of:

32 (A) the STEP FOUR result;

33 (B) the STEP FIVE result; and

34 (C) the STEP SIX result.

35 Chapter 4. Homestead Credit

36 Sec. 1. Except as otherwise provided in section 7 of this chapter,
37 an individual who on March 1 of a particular year:

38 (1) owns the individual's homestead;

39 (2) is buying the individual's homestead under a contract that:

40 (A) provides the individual is to pay the property taxes on
41 the homestead; and

42 (B) is recorded in the office of the county recorder where
43 the homestead is located; or

44 (3) has a beneficial interest in the individual's homestead, as
45 determined under section 4(c) of this chapter;

46 is entitled each year to a credit against the individual's property
47 tax liability that the individual pays on the individual's homestead.

1 However, only one (1) individual may receive a credit under this
2 chapter for a particular homestead in a particular year.

3 Sec. 2. (a) The amount of the credit to which an individual is
4 entitled to under this chapter equals the product of:

5 (1) the uniform homestead credit percentage determined
6 under section 3 of this chapter; multiplied by

7 (2) the amount of the individual's property tax liability that is:

8 (A) attributable to the homestead during the particular
9 calendar year; and

10 (B) determined after the application of the property tax
11 replacement credit under IC 6-10-3.

12 (b) For purposes of determining that part of an individual's
13 property tax liability that is attributable to the individual's
14 homestead, all deductions from assessed valuation which the
15 individual claims under IC 6-1.1-12 or IC 6-1.1-12.1 for property
16 on which the individual's homestead is located must be applied first
17 against the assessed value of the individual's homestead before
18 those deductions are applied against any other property.

19 Sec. 3. (a) The department of local government finance shall
20 annually calculate for each county the county's uniform homestead
21 credit percentage. A county's uniform homestead credit percentage
22 is the percentage determined in STEP FOUR of the following
23 formula:

24 STEP ONE: Determine the amount of the certified homestead
25 distribution for the county in the current calendar year.

26 STEP TWO: Determine the total amount of the property tax
27 liability first due and payable in the calendar year that is:

28 (1) attributable to each homestead located in the county
29 during the particular calendar year; and

30 (2) determined after the application of the property tax
31 replacement credit under IC 6-10-3.

32 STEP THREE: Determine the quotient of:

33 (1) the STEP ONE amount; divided by

34 (2) the STEP TWO amount.

35 STEP FOUR: Express the STEP THREE quotient as a
36 percentage rounded to the nearest one hundredth percent
37 (0.01%).

38 (b) The uniform county homestead percentage determined
39 under this section must be used to calculate the amount of the
40 homestead credit allowed to each individual that is entitled to a
41 homestead credit under section 1 of this chapter.

42 Sec. 4. (a) Before October 1 of each year, the county assessor
43 shall furnish to the county auditor the amount of the assessed
44 valuation of each homestead for which a homestead credit has been
45 properly filed under this chapter.

46 (b) The county auditor shall apply the credit equally to each
47 installment of taxes that the individual pays for the property.

1 (c) Notwithstanding the provisions of this chapter, a taxpayer
2 other than an individual is entitled to the credit provided by this
3 chapter if:

4 (1) an individual uses the residence as the individual's
5 principal place of residence;

6 (2) the residence is located in Indiana;

7 (3) the individual has a beneficial interest in the taxpayer;

8 (4) the taxpayer either owns the residence or is buying it
9 under a contract, recorded in the county recorder's office,
10 that provides that the individual is to pay the property taxes
11 on the residence; and

12 (5) the residence consists of a single family dwelling and the
13 real estate, not exceeding one (1) acre, that immediately
14 surrounds that dwelling.

15 Sec. 5. (a) Subject to this section, an individual who desires to
16 claim the credit provided by section 1 of this chapter must file a
17 certified statement in duplicate, on forms prescribed by the
18 department of local government finance, with the auditor of the
19 county in which the homestead is located. The statement must
20 include the parcel number or key number of the real estate and the
21 name of the city, town, or township in which the real estate is
22 located. With respect to real property, the statement must be filed
23 during the twelve (12) months before May 11 of the year before the
24 first year for which the person wishes to obtain the credit for the
25 homestead. With respect to a mobile home that is not assessed as
26 real property or a manufactured home that is not assessed as real
27 property, the statement must be filed during the twelve (12)
28 months before March 2 of the first year for which the individual
29 wishes to obtain the credit. The statement may be filed in person or
30 by mail. If mailed, the mailing must be postmarked on or before
31 the last day for filing. The statement applies for that first year and
32 any succeeding year for which the credit is allowed.

33 (b) The certified statement referred to in subsection (a) must
34 contain the name of any other county and township in which the
35 individual owns or is buying real property.

36 (c) If an individual who is receiving the credit provided by this
37 chapter changes the use of the individual's real property, so that
38 part or all of that real property no longer qualifies for the
39 homestead credit provided by this chapter, the individual must file
40 a certified statement with the auditor of the county, notifying the
41 auditor of the change of use within sixty (60) days after the date of
42 that change. An individual who changes the use of the individual's
43 real property and fails to file the statement required by this
44 subsection is liable for the amount of the credit the individual was
45 allowed under this chapter for that real property.

46 (d) An individual who receives the credit provided by section 1
47 of this chapter for property that is jointly held with another owner

1 in a particular year and remains eligible for the credit in the
 2 following year is not required to file a statement to reapply for the
 3 credit following the removal of the joint owner if:

- 4 (1) the individual is the sole owner of the property following
- 5 the death of the individual's spouse;
- 6 (2) the individual is the sole owner of the property following
- 7 the death of a joint owner who was not the individual's
- 8 spouse; or
- 9 (3) the individual is awarded sole ownership of the property
- 10 in a divorce decree.

11 (e) An individual or other taxpayer who filed for a homestead
 12 credit under IC 6-1.1-20.9 (repealed) and would have been entitled
 13 to a homestead credit against tax liability first due and payable in
 14 2008, if IC 6-1.1-20.9 had not been repealed, is treated as if the
 15 individual or other taxpayer had filed for a homestead credit for
 16 the homestead under this section.

17 Sec. 6. (a) The auditor of a county (referred to in this section as
 18 the "first county") with whom a credit statement is filed under
 19 section 5 of this chapter shall immediately prepare and transmit a
 20 copy of the statement to the auditor of any other county (referred
 21 to in this section as the "second county") if the individual who
 22 claims the credit owns or is buying real property located in the
 23 second county.

24 (b) The county auditor of the second county shall note on the
 25 copy of the statement whether or not the individual has claimed a
 26 credit for the current year under section 1 of this chapter for a
 27 homestead located in the second county. The auditor shall then
 28 return the copy to the auditor of the first county.

29 Sec. 7. (a) Each year, the county auditor shall place the original
 30 copies of all credit statements filed under section 5 of this chapter
 31 in alphabetical order by townships. The county auditor shall,
 32 without regard to townships, place the duplicate copies for the
 33 entire county in alphabetical order.

34 (b) The auditor shall ascertain from the alphabetical files
 35 whether or not more than one (1) statement has been filed by the
 36 same individual.

37 (c) The county auditor may not grant an individual a credit
 38 under section 1 of this chapter if:

- 39 (1) the individual, for the same year, claims the credit on two
- 40 (2) or more different statements; and
- 41 (2) the statements claim the credit for different property.

42 Sec. 8. Before April 1 of each year before the year in which the
 43 credit is allowed, the auditor of each county shall certify to the
 44 department of local government finance the amount of the assessed
 45 valuation that qualifies for the homestead credit. Before February
 46 1 of each year, the auditor of each county shall certify to the
 47 department of local government finance the amount of homestead

credits allowed in that county for that calendar year.

Chapter 5. Imposition of Tax

Sec. 1. Except as provided in this chapter, a supplemental local property tax replacement income tax is imposed on the adjusted gross income of supplemental income taxpayers in a county.

Sec. 2. The supplemental local property tax replacement income tax is imposed at the rate of one percent (1%).

Sec. 3. (a) For purposes of this chapter, an individual shall be treated as a resident income taxpayer of the county in which the individual:

- (1) maintains a home, if the individual maintains only one (1) home in Indiana;
- (2) if subdivision (1) does not apply, is registered to vote;
- (3) if subdivision (1) or (2) does not apply, registers the individual's personal automobile; or
- (4) if subdivision (1), (2), or (3) does not apply, spends the majority of the individual's time spent in Indiana during the taxable year in question.

(b) The residence or principal place of business or employment of an individual is to be determined on the income tax determination date for the individual's taxable year. If an individual changes the location of the individual's residence or principal place of employment or business to another county in Indiana during the individual's taxable year, the individual's liability for supplemental income tax is not affected.

Sec. 4. (a) The department of state revenue may enter into reciprocity agreements with the taxing authority of a city, town, municipality, county, or other similar local governmental entity of any other state. A reciprocity agreement must provide that the income of nonresident income taxpayers who reside in the other local governmental entity is exempt from the supplemental income tax in the Indiana county entering into the agreement to the extent that the income of Indiana resident income taxpayers is exempt from income taxation by the other local governmental entity.

(b) A reciprocity agreement entered into under this section may not become effective until the agreement is also made effective in the other local governmental entity that is a party to the agreement.

(c) A certified copy of the reciprocity agreement must be filed with the following:

- (1) The department of local government finance.
- (2) The budget agency.

(d) The form and effective date of any reciprocity agreement described in this section must be approved by the budget agency.

Sec. 5. (a) If for a taxable year a supplemental income taxpayer is (or a supplemental income taxpayer and a supplemental income taxpayer's spouse who file a joint return are) allowed a credit for

the elderly or the disabled under Section 22 of the Internal Revenue Code, the supplemental income taxpayer is (or a supplemental income taxpayer and a supplemental income taxpayer's spouse who file a joint return are) entitled to a credit against the supplemental income taxpayer's (or the supplemental income taxpayer's and the supplemental income taxpayer's spouse's) supplemental income tax liability under this chapter for that same taxable year. The amount of the credit equals the lesser of:

(1) the product of:

- (A) the supplemental income taxpayer's (or the supplemental income taxpayer's and the supplemental income taxpayer's spouse's) credit for the elderly or the totally disabled for that same taxable year; multiplied by
- (B) a fraction for which the numerator of the fraction is the supplemental income tax rate and the denominator is fifteen hundredths (0.15); or

(2) the amount of supplemental income tax imposed on the supplemental income taxpayer (or the supplemental income taxpayer and the supplemental income taxpayer's spouse).

(b) If a supplemental income taxpayer and the local taxpayer's spouse file a joint return and are subject to different supplemental income tax rates under this chapter for the same taxable year, they shall compute the credit under this section using the formula provided by subsection (a), except that they shall use the average of the two (2) supplemental income tax rates as the numerator referred to in subsection (a)(1)(B).

Sec. 6. Revenue from a supplemental local property tax replacement income tax under this chapter shall be collected, deposited, and used as provided in this article.

Chapter 6. Collection

Sec. 1. Except as otherwise provided in this article, all provisions of the adjusted gross income tax law (IC 6-3) concerning:

- (1) definitions;
- (2) declarations of estimated tax;
- (3) filing of returns;
- (4) remittances;
- (5) incorporation of the provisions of the Internal Revenue Code;
- (6) penalties and interest;
- (7) exclusion of military pay credits for withholding; and
- (8) exemptions and deductions;

apply to the imposition, collection, and administration of a supplemental income tax imposed by IC 6-10-5.

Sec. 2. IC 6-3-1-3.5(a)(6), IC 6-3-3-3, IC 6-3-3-5, and IC 6-3-5-1 do not apply to the supplemental income tax imposed by IC 6-10-5.

1 **Sec. 3. Each employer shall report to the department the**
 2 **amount of withholdings attributable to each county. This report**
 3 **shall be submitted in the manner and on the schedule determined**
 4 **by the department of state revenue. The department of state**
 5 **revenue may provide for the information to be reported:**

6 **(1) annually along with the employer's annual withholding**
 7 **report; or**

8 **(2) on a more frequent schedule with annual reconciliation of**
 9 **the amounts reported during the year.**

10 **Sec. 4. Each supplemental income taxpayer that is required to**
 11 **file estimated tax returns under IC 6-3-4-4.1 shall report to the**
 12 **department the amount of estimated supplemental income tax**
 13 **attributable to a county. The report shall be submitted in the**
 14 **manner and on the schedule determined by the department of state**
 15 **revenue. The department of state revenue may provide for the**
 16 **information to be reported:**

17 **(1) annually along with the income taxpayer's annual return;**
 18 **or**

19 **(2) on a more frequent schedule with annual reconciliation of**
 20 **the amounts reported during the year.**

21 **Sec. 5. The department of state revenue shall separately account**
 22 **for the supplemental income taxes collected from supplemental**
 23 **income taxpayers in each county and refunds made to**
 24 **supplemental income taxpayers in each county.**

25 **Chapter 7. Distribution**

26 **Sec. 1. Before August 2, 2007, and before August 2 in any**
 27 **subsequent year in which a later adjustment in the amount**
 28 **distributed is made as a result of the resolution of refunds and**
 29 **other tax appeals, the department of local government finance,**
 30 **after reviewing the recommendation of the budget agency, shall**
 31 **make the following certifications to the auditor for each county:**

32 **(1) The total amount of the state distribution made under**
 33 **IC 6-1.1-21 (repealed), as adjusted in any subsequent**
 34 **settlement under IC 6-1.1-21-9 (repealed), to the county to**
 35 **replace revenue lost as a result of the granting of a property**
 36 **tax replacement credit to taxpayers in the county under**
 37 **IC 6-1.1-21-5 (repealed) for property taxes first due and**
 38 **payable for the March 1, 2005, and January 15, 2006,**
 39 **assessment dates.**

40 **(2) The total amount of the state distribution made under**
 41 **IC 6-1.1-21 (repealed), as adjusted in any subsequent**
 42 **settlement under IC 6-1.1-21-9 (repealed), to the county to**
 43 **replace revenue lost as a result of the granting of a homestead**
 44 **credit to taxpayers in the county under IC 6-1.1-20.9-2**
 45 **(repealed) for property taxes first due and payable for the**
 46 **March 1, 2005, and January 15, 2006, assessment dates.**

47 **(3) The sum of the county's 2006 certified property tax**

1 replacement distribution and the county's 2006 certified
2 homestead distribution.

3 Sec. 2. Each year beginning after December 31, 2007, the
4 auditor of state shall make a certified property tax replacement
5 distribution to the county treasurer of each county equal to the
6 sum of the following:

7 (1) The county's 2006 certified property tax replacement
8 distribution.

9 (2) The county's supplemental property tax replacement
10 distribution for the year determined under section 10 of this
11 chapter.

12 Sec. 3. Each year beginning after December 31, 2007, the
13 auditor of state shall make a certified homestead distribution to the
14 county treasurer of each county equal to the sum of the following:

15 (1) The county's 2006 certified homestead distribution.

16 (2) The county's supplemental homestead distribution for the
17 year determined under section 11 of this chapter.

18 Sec. 4. The distribution required under section 2 of this chapter
19 and the distribution required under section 3 of this chapter shall
20 be made in twelve (12) equal installments.

21 Sec. 5. Before August 2, 2009, and August 2 in each year
22 thereafter, the department of state revenue, after reviewing the
23 recommendation of the budget agency, shall certify the amount
24 determined under section 6 of this chapter for a particular county
25 (as adjusted under section 7 of this chapter) to the following:

26 (1) The auditor of state.

27 (2) The department of local government finance.

28 The amount certified for a county under this section shall be
29 treated as the county's certified actual supplemental income tax
30 revenue for the ensuing year.

31 Sec. 6. Subject to section 7 of this chapter, the amount to be
32 certified under section 5 of this chapter for a particular county for
33 an ensuing year equals the amount of supplemental income tax
34 revenue that the department of state revenue, after reviewing the
35 recommendation of the budget agency, determines has been:

36 (1) received from that county for a taxable year ending before
37 the calendar year in which the determination is made; and

38 (2) reported on an annual return or amended return
39 processed by the department of state revenue in the state
40 fiscal year ending before July 1 of the calendar year in which
41 the determination is made;

42 as adjusted (as determined after review of the recommendation of
43 the budget agency) for refunds of supplemental income tax made
44 in the state fiscal year.

45 Sec. 7. (a) The amount determined under section 6 of this
46 chapter shall be adjusted as provided under this section.

47 (b) The department of state revenue, after reviewing the

1 recommendation of the budget agency, shall adjust the certified
 2 amount for a county to an amount less than the amount determined
 3 under section 6 of this chapter if the department of state revenue,
 4 after reviewing the recommendation of the budget agency,
 5 determines that the reduced certified amount is necessary to offset
 6 the effects of an overpayment to the county in a year before the
 7 year to which the certified amount applies. The department of state
 8 revenue, after reviewing the recommendation of the budget agency,
 9 may reduce the certified amount over several calendar years so
 10 that any overpayments are offset over several years rather than in
 11 one (1) lump sum.

12 (c) The department of state revenue, after reviewing the
 13 recommendation of the budget agency, shall adjust the certified
 14 amount for a county to correct for any clerical or mathematical
 15 errors made in any previous certification under this chapter. The
 16 department of state revenue, after reviewing the recommendation
 17 of the budget agency, may reduce the certified amount over several
 18 calendar years so that any adjustment under this subsection is
 19 offset over several years rather than in one (1) lump sum.

20 Sec. 8. Before December 2, 2009, and December 2 in each
 21 subsequent year, the department of local government finance, after
 22 reviewing the recommendation of the budget agency, shall certify
 23 the following to the auditor of state and the fiscal officer of each
 24 county:

25 (1) The total amount of supplemental income taxes imposed
 26 on supplemental income taxpayers in each county that are
 27 available to increase the certified property tax replacement
 28 distributions and certified homestead distributions to the
 29 county for an ensuing year.

30 (2) Each county's supplemental property tax replacement
 31 distribution for the ensuing year.

32 (3) Each county's supplemental homestead distribution for the
 33 ensuing year.

34 Sec. 9. The total amount of supplemental income taxes available
 35 to increase the certified property tax replacement distributions and
 36 certified homestead distributions for an ensuing year in a county
 37 is the greater of zero (0) or the result determined under the last
 38 STEP of the following formula:

39 STEP ONE: Determine for all counties the sum of the
 40 certified actual supplemental income tax revenue determined
 41 for each county for the ensuing year.

42 STEP TWO: Determine for all counties the sum of the 2006
 43 certified total property tax relief distribution to each county.

44 STEP THREE: Determine the greater of zero (0) or the result
 45 of:

46 (A) the STEP ONE result; minus

47 (B) the STEP TWO result.

STEP FOUR: Determine the greater of zero (0) or the result of:

- (A) the county's certified actual supplemental income tax revenue for the ensuing year; minus
- (B) the county's 2006 certified total property tax relief distribution.

STEP FIVE: Determine the result of:

- (A) the county's STEP FOUR amount; divided by
- (B) the STEP THREE result.

STEP SIX: Determine the result of:

- (A) the STEP FIVE result; multiplied by
 - (B) the STEP THREE result;
- rounded to the nearest dollar (\$1).

Sec. 10. A county's supplemental property tax replacement distribution for the ensuing year is equal to the total amount of supplemental income taxes available to increase the certified property tax replacement distributions and certified homestead distributions for an ensuing year in the county multiplied by a fraction. The numerator of the fraction is the county's 2006 certified property tax replacement distribution. The denominator is the county's 2006 certified total property tax relief distribution.

Sec. 11. A county's supplemental homestead distribution for the ensuing year is equal to the total amount of supplemental income taxes available to increase the certified property tax replacement distributions and certified homestead distributions for an ensuing year in the county multiplied by a fraction. The numerator of the fraction is the county's 2006 certified homestead distribution. The denominator is the county's 2006 certified total property tax relief distribution.

Sec. 12. A county treasurer receiving a certified property tax replacement distribution or certified homestead distribution under this chapter shall apportion the amount received among the taxing units that imposed any part of the county's total county tax levy. The amount received by the county as a:

- (1) certified property tax replacement distribution shall be distributed to each taxing unit in proportion to the amount of revenue lost to the taxing unit as a result of the granting of property tax replacement credits in the county under IC 6-10-3; and
- (2) certified homestead distribution shall be distributed to each taxing unit in proportion to the amount of revenue lost to the taxing unit as a result of the granting of homestead credits in the county under IC 6-10-4.

Sec. 13. Distributions under section 12 of this chapter shall be made in twelve (12) equal monthly installments with settlements of overpayments and underpayments in June and December at the same time property taxes are settled under IC 6-1.1-27-1.

Sec. 14. For the purposes of any law, rule, or other writing that refers to property taxes, money distributed to a taxing unit under this article shall be treated as property taxes and may be used for any purpose for which the property taxes replaced by the money could have been used.

SECTION 61. IC 8-6-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. (a) Whenever the separation of grades at the intersection of a railroad or railroads (as defined in IC 8-3-1-2) and a public street or highway is constructed, the railroad or railroads shall pay five ~~(5)~~ percent **(5%)** of the cost of the grade separation as provided in this chapter.

(b) This chapter shall apply to an existing crossing, a new crossing, or the reconstruction of an existing grade separation.

(c) If more than one (1) railroad (as defined in IC 8-3-1-2) is involved in a separation, the railroads involved shall divide the amount to be paid by the railroads by agreement between the railroads. If the railroads fail to agree, the circuit court of the county in which the crossing is located shall have jurisdiction, upon the application of a party, to determine the division of the amount to be paid by the railroads. The decision of the court is final, unless one (1) or more parties deeming themselves aggrieved by the decision of the court shall appeal therefrom to the court of appeals of Indiana within thirty (30) days, or within additional time not exceeding ninety (90) days, as may be granted by the circuit court. The appeal shall be taken in substantially the same manner as an appeal in a civil case from the circuit court.

(d) If a grade separation shall involve a state highway that is a part of the state highway system of Indiana, or a street or highway selected by the Indiana department of transportation as a route of a highway in the state highway system, the state, out of the funds of the Indiana department of transportation or funds appropriated for the use of the Indiana department of transportation, shall pay ninety-five percent (95%) of the cost of the grade separation.

(e) Before the Indiana department of transportation shall proceed with a grade separation within a city or town, the Indiana department of transportation shall first obtain the consent of the city, by a resolution adopted by the board or officials of the city having jurisdiction over improvement of the streets of the city, and any material modification of the plans upon which the consent was granted shall first be approved by the city by a similar resolution.

(f) If such grade separation is on a highway or street not a part of the highways under the jurisdiction of the Indiana department of transportation, or a part of a route selected by it, but is within any city or town of the state, the city or town shall pay one-half (1/2) of ninety-five percent (95%) of the total of such cost and the county in which the crossing is located shall be liable for and pay one-half (1/2)

1 of the ninety-five percent (95%).

2 (g) If a grade separation that involves a state highway that is a part
3 of the state highway system of Indiana, or a street or highway selected
4 by the Indiana department of transportation as a route of a highway in
5 the state highway system, necessitates the grade separation on other
6 highways or streets, not a part of the highways under the jurisdiction of
7 the Indiana department of transportation but within any city of the state
8 of Indiana, then of the total cost of the grade separation on a highway
9 or street not under the jurisdiction of the Indiana department of
10 transportation but necessitated by the grade separation involving a
11 highway or street which is a part of the state highway system, the city
12 shall pay one-fourth (1/4) of ninety-five percent (95%) and the county
13 in which the crossing is located shall be liable for and pay one-fourth
14 (1/4) of the ninety-five percent (95%) of the total of the costs and the
15 state out of the funds of the Indiana department of transportation or
16 funds appropriated for the use of the Indiana department of
17 transportation, shall be liable for and pay one-half (1/2) of the
18 remaining portion.

19 (h) If a crossing is not within any city or town and does not involve
20 a highway under the jurisdiction of the Indiana department of
21 transportation, then the county in which the crossing is located shall
22 pay the ninety-five percent (95%) of the total cost which is not paid by
23 the railroad or railroads.

24 (i) The division of the cost of grade separation applies when the
25 grade separation replaces and eliminates an existing grade crossing at
26 which active warning devices are in place or ordered to be installed by
27 a state regulatory agency, but when the grade separation does not
28 replace nor eliminate an existing grade crossing the state, county, or
29 municipality, as the case may be, shall bear and pay one hundred
30 percent (100%) of the cost of the grade separation.

31 (j) In estimating and computing the cost of the grade separation,
32 there shall be considered as a part of costs all expenses reasonably
33 necessary for preliminary engineering, rights-of-way and all work
34 required to comply with the plans and specifications for the work,
35 including all changes in the highway and the grade thereof and the
36 approaches to the grade separation, as well as all changes in the
37 roadbed, grade, rails, ties, bridges, buildings, and other structural
38 changes in a railroad as may be necessary to effect the grade separation
39 and to restore the railroad facilities aforesaid to substantially the same
40 condition as before the separation.

41 (k) The required railroad share of the cost shall be based on the
42 costs for preliminary engineering, right-of-way, and construction within
43 the limits described below:

44 (1) Where a grade crossing is eliminated by grade separation, the
45 structure and approaches for the number of lanes on the existing
46 highway and in accordance with the current design standards of

1 the governmental entity having jurisdiction over the highway
2 involved.

3 (2) Where another facility, such as a highway or waterway,
4 requiring a bridge structure is located within the limits of a grade
5 separation project, the estimated cost of a theoretical structure and
6 approaches as described under subdivision (1) to eliminate the
7 railroad-highway grade crossing without considering the presence
8 of the waterway or other highway.

9 (3) Where a grade crossing is eliminated by railroad or highway
10 relocation, the actual cost of the relocation project, or the
11 estimated cost of a structure and approaches as described under
12 subdivision (1), whichever is less.

13 (1) If the Indiana department of transportation or any city, town, or
14 county is unable to reach an agreement with a railroad company after
15 determining that construction or reconstruction of a grade separation,
16 which replaces or eliminates the need for a grade crossing, is necessary
17 to protect travelers on the roads and streets of the state, the appropriate
18 unit or combination of units of government shall give a written notice
19 of its intention to proceed with the construction or reconstruction of a
20 grade separation to the superintendent or regional engineer of the
21 railroad company. The notice of intention shall be made by the
22 adoption of a resolution stating the need for the grade separation. If,
23 after thirty (30) days, the railroad has not agreed to a division of
24 inspections, plans and specifications, the number and type of jobs to be
25 completed by each agency, a division of costs, and other necessary
26 conditions, the Indiana department of transportation, city, town, or
27 county may proceed with the grade separation exercising any and all of
28 its powers to construct or reconstruct a bridge and, notwithstanding
29 other provisions of this chapter, may pay for up to one hundred percent
30 (100%) of the cost of the project. If the railroad is unable, for good
31 cause, to pay the share of the cost required by this section, the city,
32 town, or county may certify the amount owed by the railroad to the
33 county auditor who shall prepare a special tax duplicate to be collected
34 and settled for by the county treasurer in the same manner and at the
35 same time as property taxes are collected except that such tax
36 assessment shall not authorize a payment or credit from the **property**
37 **tax replacement state general fund. created by IC 6-1.1-21.** However,
38 before the Indiana department of transportation, city, town, or county
39 undertakes to do the work themselves they shall notify an agent of the
40 railroad as to the time and place of the work."

41 Page 77, between lines 22 and 23, begin a new paragraph and insert:

42 "SECTION 64. IC 8-22-3.5-10, AS AMENDED BY P.L.124-2006,
43 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
44 JANUARY 1, 2008]: Sec. 10. (a) Except as provided in subsection (d),
45 if the commission adopts the provisions of this section by resolution,
46 each taxpayer in the airport development zone is entitled to an

additional credit for ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2~~
~~IC 6-10-2-22~~) that, under IC 6-1.1-22-9, ~~are~~ **is** due and payable in May
 and November of that year. Except as provided in subsection (d),
 one-half (1/2) of the credit shall be applied to each installment of ~~taxes~~
property tax (as defined in ~~IC 6-1.1-21-2~~; **IC 6-10-2-22**). This credit
 equals the amount determined under the following STEPS for each
 taxpayer in a taxing district that contains all or part of the airport
 development zone:

STEP ONE: Determine that part of the sum of the amounts under
~~IC 6-1.1-21-2(g)(1)(A)~~ and ~~IC 6-1.1-21-2(g)(2)~~ through
~~IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2-34(1)(A)** and **IC 6-10-2-34(2)** that
 is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the county's eligible property tax replacement
 amount (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2-14**) for that
 year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is
 attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's ~~taxes~~ **property tax** (as
 defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2-22**) levied in the taxing
 district that would have been allocated to the special funds
 under section 9 of this chapter had the additional credit
 described in this section not been given.

The additional credit reduces the amount of proceeds allocated and
 paid into the special funds under section 9 of this chapter.

(b) The additional credit under subsection (a) shall be:

(1) computed on an aggregate basis of all taxpayers in a taxing
 district that contains all or part of an airport development zone;
 and

(2) combined on the tax statement sent to each taxpayer.

(c) Concurrently with the mailing or other delivery of the tax
 statement or any corrected tax statement to each taxpayer, as required
 by IC 6-1.1-22-8(a), each county treasurer shall for each tax statement
 also deliver to each taxpayer in an airport development zone who is
 entitled to the additional credit under subsection (a) a notice of
 additional credit. The actual dollar amount of the credit, the taxpayer's
 name and address, and the tax statement to which the credit applies
 shall be stated on the notice.

(d) This subsection applies to an airport development zone only to
 the extent that the net assessed value of property that is assessed as
 residential property under the rules of the department of local
 government finance is not included in the base assessed value. If
 property tax installments with respect to a homestead (as defined in
~~IC 6-1.1-20-9-1~~ **IC 6-10-2-15**) are due in installments established by

the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an airport development zone is entitled to an additional credit under subsection (a) for the ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2-22**) due in installments. The credit shall be applied in the same proportion to each installment of ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2-22**).

SECTION 65. IC 8-22-3.5-12, AS AMENDED BY P.L.124-2006, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 12. Notwithstanding any other law, a taxpayer in an airport development zone is not entitled to a credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3**."

Page 79, between lines 39 and 40, begin a new paragraph and insert: "SECTION 67. IC 12-7-2-64, AS AMENDED BY P.L.141-2006, SECTION 16, AND AS AMENDED BY P.L.145-2006, SECTION 47, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 64. "Director" refers to the following:

(1) With respect to a particular division, the director of the division.

(2) With respect to a particular state institution, the director who has administrative control of and responsibility for the state institution.

(3) For purposes of IC 12-10-15, the term refers to the director of the division of *disability, aging, and rehabilitative services*.

~~(4) For purposes of IC 12-19-5, the term refers to the director of the department of child services established by IC 31-33-1.5-2. IC 31-25-1-1.~~

~~(5)~~ (4) For purposes of IC 12-25, the term refers to the director of the division of mental health and addiction.

~~(6)~~ (5) For purposes of IC 12-26, the term:

(A) refers to the director who has administrative control of and responsibility for the appropriate state institution; and

(B) includes the director's designee.

~~(7)~~ (6) If subdivisions (1) through ~~(6)~~ (5) do not apply, the term refers to the director of any of the divisions.

SECTION 68. IC 12-7-2-91 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 91. "Fund" means the following:

(1) For purposes of IC 12-12-1-9, the fund described in IC 12-12-1-9.

~~(2) For purposes of IC 12-13-8, the meaning set forth in IC 12-13-8-1.~~

~~(3)~~ (2) For purposes of IC 12-15-20, the meaning set forth in IC 12-15-20-1.

~~(4)~~ (3) For purposes of IC 12-17-12, the meaning set forth in

- 1 IC 12-17-12-4.
 2 ~~(5)~~ (4) For purposes of IC 12-17.6, the meaning set forth in
 3 IC 12-17.6-1-3.
 4 ~~(6)~~ (5) For purposes of IC 12-18-4, the meaning set forth in
 5 IC 12-18-4-1.
 6 ~~(7)~~ (6) For purposes of IC 12-18-5, the meaning set forth in
 7 IC 12-18-5-1.
 8 ~~(8) For purposes of IC 12-19-7, the meaning set forth in~~
 9 ~~IC 12-19-7-2.~~
 10 ~~(9)~~ (7) For purposes of IC 12-23-2, the meaning set forth in
 11 IC 12-23-2-1.
 12 ~~(10)~~ (8) For purposes of IC 12-23-18, the meaning set forth in
 13 IC 12-23-18-4.
 14 ~~(11)~~ (9) For purposes of IC 12-24-6, the meaning set forth in
 15 IC 12-24-6-1.
 16 ~~(12)~~ (10) For purposes of IC 12-24-14, the meaning set forth in
 17 IC 12-24-14-1.
 18 ~~(13)~~ (11) For purposes of IC 12-30-7, the meaning set forth in
 19 IC 12-30-7-3.

20 SECTION 69. IC 12-13-5-5, AS AMENDED BY P.L.234-2005,
 21 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JANUARY 1, 2008]: Sec. 5. (a) Each county auditor shall keep records
 23 and make reports relating to ~~the county welfare fund (before July 1,~~
 24 ~~2001) the family and children's fund; and other~~ financial transactions
 25 as required under IC 12-13 through IC 12-19 and as required by the
 26 division or the department of child services.

27 (b) All records provided for in IC 12-13 through IC 12-19 shall be
 28 kept, prepared, and submitted in the form required by the division or
 29 the department of child services and the state board of accounts.

30 SECTION 70. IC 12-13-7-17 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 17. The part of
 32 the care and maintenance of the inmates of the Plainfield Juvenile
 33 Correctional Facility and the Indianapolis Juvenile Correctional
 34 Facility that under law is to be charged back to the counties shall be
 35 paid from the county general fund. ~~and not the county family and~~
 36 ~~children's fund; unless otherwise provided by law.~~

37 SECTION 71. IC 12-19-1-7, AS AMENDED BY P.L.145-2006,
 38 SECTION 107, IS AMENDED TO READ AS FOLLOWS
 39 [EFFECTIVE JANUARY 1, 2008]: Sec. 7. (a) The county director
 40 shall appoint from eligible lists established by the state personnel
 41 department the number of assistants necessary to:

- 42 (1) administer the welfare activities within the county that are
 43 administered by the division under IC 12-13 through IC 12-19 or
 44 by an administrative rule, with the approval of the director of the
 45 division; or
 46 (2) administer the child services (as defined in ~~IC 12-19-7-1)~~

IC 31-9-2-17.4) and child welfare activities within the county that are the responsibility of the department under IC 12-13 through IC 12-19 and IC 31-25 through IC 31-40 or by an administrative rule, with the approval of the director of the department.

(b) The:

(1) division, for personnel performing activities described in subsection (a)(1);

(2) department, for personnel performing activities described in subsection (a)(2); or

(3) division and the department jointly for personnel performing activities in both subsection (a)(1) and (a)(2);

shall determine the compensation of the assistants within the salary ranges of the pay plan adopted by the state personnel department and approved by the budget agency, with the advice of the budget committee, and within lawfully established appropriations.

SECTION 72. IC 12-19-1-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 15. (a) ~~A county office~~ **The department of child services** may receive and administer a gift, devise, or bequest of personal property, including the income from real property, that is:

(1) to or for the benefit of a home or an institution in which dependent or neglected children are cared for under the supervision of the ~~county office~~; **department of child services or the division**; or

(2) for the benefit of children who are committed to the care or supervision of the ~~county office~~; **department of child services or the division**.

(b) ~~A county office~~ **The department of child services** may invest or reinvest money received under this section in the same types of securities in which life insurance companies are authorized by law to invest the money of the life insurance companies.

(c) The following shall be kept in ~~a special~~ **the family and children's trust clearance** fund **established by section 16 of this chapter** and may not be commingled with any other fund or with money received from taxation:

(1) All money received by the ~~county office~~ **department of child services** under this section.

(2) All money, proceeds, or income realized from real property or other investments.

(d) Subject to the ~~approval of the judge or the court of the county having probate jurisdiction~~; **conditions imposed on the gift, devise, or bequest by the donor**, money described in subsection (c)(1) or (c)(2) may be expended by the ~~county office~~ **department of child services or the division** in any manner consistent with the purposes of the fund's creation and with the intention of the donor.

SECTION 73. IC 12-19-1-16 IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 16. (a) ~~This~~
 2 ~~section does not apply to money received to reimburse~~ The county
 3 family and children's **trust clearance** fund ~~for expenditures made from~~
 4 ~~the appropriations of the county office.~~ **is established. The**
 5 **department of child services shall administer the fund as a trust**
 6 **fund. Money in the fund may be invested as money in other trust**
 7 **funds is invested. The balance of the fund at the end of a state fiscal**
 8 **year does not revert to the state general fund.**

9 (b) ~~A county office~~ **The department of child services** may receive
 10 and administer money available to or for the benefit of a person
 11 receiving payments or services from the county office. The following
 12 applies to all money received under this section:

13 (1) The money shall be kept in ~~a special fund known as the county~~
 14 family and ~~children~~ **children's** trust clearance fund and may not
 15 be commingled with any other fund or with money received from
 16 taxation.

17 (2) The money may be expended by the ~~county office~~ **department**
 18 **of child services or the division** in any manner consistent with
 19 the following:

20 (A) The purpose of the ~~county~~ family and ~~children~~ **children's**
 21 trust clearance fund or with the intention of the donor of the
 22 money.

23 (B) Indiana law.

24 SECTION 74. IC 12-19-1.5-3.5 IS ADDED TO THE INDIANA
 25 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 26 [EFFECTIVE JANUARY 1, 2008]: **Sec. 3.5. As used in this chapter,**
 27 **"implementation date" means the following:**

28 **(1) December 31, 1999, for pledges described in section 8(a)(1)**
 29 **of this chapter.**

30 **(2) March 31, 2007, for pledges described in section 8(a)(2) of**
 31 **this chapter.**

32 SECTION 75. IC 12-19-1.5-6 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 6. As used in this
 34 chapter, "replacement amount" means the sum of the property taxes
 35 imposed on the assessed value of property in the allocation area in
 36 excess of the base assessed value in **the following:**

37 **(1) 1999 for:**

38 ~~(1)~~ **(A) the county welfare fund; and**

39 ~~(2)~~ **(B) the county welfare administration fund.**

40 **(2) 2007 for:**

41 **(A) the county family and children's fund;**

42 **(B) the county children's psychiatric residential treatment**
 43 **services fund;**

44 **(C) the county medical assistance to wards fund; and**

45 **(D) the children with special health care needs county**
 46 **fund.**

SECTION 76. IC 12-19-1.5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 8. (a) This chapter applies to an allocation area in which **either:**

(1) the:

(A) holders of obligations received a pledge before July 1, 1999, of tax increment revenues to repay any part of the obligations due after December 31, 1999; and

~~(2) the~~ (B) elimination of a county welfare fund property tax levy or a county welfare administration fund property tax levy adversely affects the ability of the governing body to repay the obligations described in ~~subdivision (1):~~ **clause (A); or**

(2) the:

(A) holders of obligations received a pledge before April 1, 2007, of tax increment revenues to repay any part of the obligations due after March 31, 2007; and

(B) elimination of:

(i) the county family and children's fund levy;

(ii) the county children's psychiatric residential treatment services fund levy;

(iii) the county medical assistance to wards fund levy; and

(iv) the children with special health care needs county fund levy;

enacted by the general assembly in 2007 adversely affects the ability of the governing body to repay the obligations described in clause (A).

(b) A governing body may use one (1) or more of the procedures described in sections 9 through 11 of this chapter to provide sufficient funds to repay the obligations described in subsection (a). The amount raised each year may not exceed the replacement amount.

SECTION 77. IC 12-19-1.5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 9. (a) A governing body may, after a public hearing, impose a special assessment on the owners of property that is located in an allocation area to repay a bond or an obligation described in section 8 of this chapter that comes due after ~~December 31, 1999:~~ **the implementation date.** The amount of a special assessment for a taxpayer shall be determined by multiplying the replacement amount by a fraction, the denominator of which is the total incremental assessed value in the allocation area, and the numerator of which is the incremental assessed value of the taxpayer's property in the allocation area.

(b) Before a public hearing under subsection (a) may be held, the governing body must publish notice of the hearing under IC 5-3-1. The notice must state that the governing body will meet to consider whether a special assessment should be imposed under this chapter and whether the special assessment will help the governing body realize the

1 redevelopment or economic development objectives for the allocation
 2 area or honor its obligations related to the allocation area. The notice
 3 must also name a date when the governing body will receive and hear
 4 remonstrances and objections from persons affected by the special
 5 assessment. All persons affected by the hearing, including all taxpayers
 6 within the allocation area, shall be considered notified of the pendency
 7 of the hearing and of subsequent acts, hearings, and orders of the
 8 governing body by the notice. At the hearing, which may be adjourned
 9 from time to time, the governing body shall hear all persons affected by
 10 the proceedings and shall consider all written remonstrances and
 11 objections that have been filed. The only grounds for remonstrance or
 12 objection are that the special assessment will not help the governing
 13 body realize the redevelopment or economic development objectives
 14 for the allocation area or honor its obligations related to the allocation
 15 area. After considering the evidence presented, the governing body
 16 shall take final action concerning the proposed special assessment. The
 17 final action taken by the governing body shall be recorded and is final
 18 and conclusive, except that an appeal may be taken in the manner
 19 prescribed by subsection (c).

20 (c) A person who filed a written remonstrance with a governing
 21 body under subsection (b) and is aggrieved by the final action taken
 22 may, within ten (10) days after that final action, file in the office of the
 23 clerk of the circuit or superior court a copy of the order of the
 24 governing body and the person's remonstrance or objection against that
 25 final action, together with a bond conditioned to pay the costs of appeal
 26 if the appeal is determined against the person. The only ground of
 27 remonstrance or objection that the court may hear is whether the
 28 proposed assessment will help achieve the redevelopment of economic
 29 development objectives for the allocation area or honor its obligations
 30 related to the allocation area. An appeal under this subsection shall be
 31 promptly heard by the court without a jury. All remonstrances or
 32 objections upon which an appeal has been taken must be consolidated,
 33 heard, and determined within thirty (30) days after the time of the filing
 34 of the appeal. The court shall hear evidence on the remonstrances or
 35 objections, and may confirm the final action of the governing body or
 36 sustain the remonstrances or objections. The judgment of the court is
 37 final and conclusive, unless an appeal is taken as in other civil actions.

38 (d) The maximum amount of a special assessment under this section
 39 may not exceed the replacement amount.

40 (e) A special assessment shall be imposed and collected in the same
 41 manner as ad valorem property taxes are imposed and collected."

42 Page 79, delete lines 40 through 42.

43 Delete pages 80 through 83.

44 Page 84, delete lines 1 through 40.

45 Page 84, between lines 40 and 41, begin a new paragraph and insert:
 46 "SECTION 78. IC 12-20-25-45 IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 45. (a)
 2 Notwithstanding IC 6-3.5-6, after the termination of the controlled
 3 status of all townships located in a county as provided in section 41 of
 4 this chapter and if the county option income tax is imposed under this
 5 chapter, the county fiscal body may adopt an ordinance to:

6 (1) increase the percentage credit allowed for homesteads in the
 7 county under ~~IC 6-1.1-20.9-2~~; **IC 6-10-4**; or

8 (2) reduce the county option income tax rate for resident county
 9 taxpayers to a rate not less than the greater of:

10 (A) the minimum rate necessary to satisfy the requirements of
 11 section 43 of this chapter; or

12 (B) the minimum rate necessary to satisfy the requirements of
 13 sections 43 and 46(2) of this chapter if an ordinance is adopted
 14 under subdivision (1).

15 (b) A county fiscal body may not increase the percentage credit
 16 allowed for homesteads in such a manner that more than eight percent
 17 (8%) is added to the percentage established under ~~IC 6-1.1-20.9-2(d)~~.
 18 **IC 6-10-4.**

19 (c) The increase in the homestead credit percentage must be uniform
 20 for all homesteads in a county.

21 (d) In an ordinance that increases the homestead credit percentage,
 22 the county fiscal body may provide for a series of increases or
 23 decreases to take place for each of a group of succeeding calendar
 24 years.

25 (e) An ordinance may be adopted under this section after January 1
 26 but before June 1 of a calendar year.

27 (f) An ordinance adopted under this section takes effect January 1
 28 of the next calendar year.

29 (g) An ordinance adopted under this section for a county is not
 30 applicable for a year if on January 1 of that year the county option
 31 income tax is not in effect."

32 Page 86, between lines 6 and 7, begin a new paragraph and insert:
 33 "SECTION 83. IC 13-21-3-15 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 15. (a) A district
 35 located in a county having a population of more than thirty-two
 36 thousand (32,000) but less than thirty-three thousand (33,000) may
 37 appeal to the department of local government finance to have a
 38 property tax rate in excess of the rate permitted by section 12 of this
 39 chapter. The appeal may be granted if the district establishes that all of
 40 the following conditions exist:

41 (1) The district is in the process of constructing a landfill.

42 (2) A higher property tax rate is necessary to pay the fees charged
 43 by out of county landfills to dispose of solid waste generated in
 44 the district during the design and construction phases of the
 45 landfill being established by the district.

46 (b) The procedure applicable to maximum levy appeals under

1 IC 6-1.1-18.5 applies to an appeal under this section. Any additional
2 levy granted under this section:

3 (1) is not part of the total county tax levy (as defined in
4 ~~IC 6-1.1-21-2~~; **IC 6-10-2-34**); and

5 (2) may not exceed seven and thirty-three hundredths cents
6 (\$0.0733) on each one hundred dollars (\$100) of assessed
7 valuation of property in the district.

8 (c) The department of local government finance shall establish the
9 tax rate if a higher tax rate is permitted.

10 (d) A property tax rate imposed under this section expires not later
11 than December 31, 1997.

12 SECTION 84. IC 13-21-3-15.5 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 15.5. (a) A district
14 may appeal to the department of local government finance to have a
15 property tax rate in excess of the rate permitted by section 12 of this
16 chapter. The appeal may be granted if the district with respect to 2001
17 property taxes payable in 2002:

18 (1) imposed the maximum property tax rate established under
19 section 12 of this chapter; and

20 (2) collected property tax revenue in an amount less than the
21 maximum permissible ad valorem property tax levy determined
22 for the district under IC 6-1.1-18.5.

23 (b) The procedure applicable to maximum levy appeals under
24 IC 6-1.1-18.5 applies to an appeal under this section.

25 (c) An additional levy granted under this section:

26 (1) is not part of the total county tax levy (as defined in
27 ~~IC 6-1.1-21-2~~; **IC 6-10-2-34**); and

28 (2) may not exceed the rate calculated to result in a property tax
29 levy equal to the maximum permissible ad valorem property tax
30 levy determined for the district under IC 6-1.1-18.5.

31 (d) The department of local government finance shall establish the
32 tax rate if a higher tax rate is permitted."

33 Page 88, between lines 21 and 22, begin a new paragraph and insert:

34 "SECTION 86. IC 16-33-4-17.5 IS AMENDED TO READ AS
35 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 17.5. (a) In the
36 case of a child who is:

37 (1) admitted to the home from another county; and

38 (2) adjudicated to be a delinquent child or child in need of
39 services by the juvenile court in the county where the home is
40 located;

41 the juvenile court may order the ~~county office of family and children~~
42 ~~of the child's county of residence before the child's admission to the~~
43 ~~home~~ **department of child services** to reimburse the cost of services
44 ordered by the juvenile court, including related transportation costs,
45 and any cost incurred by the county to transport or detain the child
46 before the order is issued.

(b) A county office of family and children ordered to reimburse costs under this section shall pay the amount ordered from the ~~county family and children's state child welfare~~ fund.

(c) The county office of family and children may require the parent or guardian of the child, other than a parent, guardian, or custodian associated with the home, to reimburse the ~~county family and children's fund~~ **department of child services** for an amount paid under this section.

(d) A child who is admitted to the home does not become a resident of the county where the home is located.

(e) When an unemancipated child is released from the home, the county office of family and children for the child's county of residence before entering the home is responsible for transporting the child to the parent or guardian of the child. If a parent or guardian does not exist for an unemancipated child released from the home, the county office of family and children of the child's county of residence before entering the home shall obtain custody of the child.

SECTION 87. IC 20-26-11-12, AS AMENDED BY P.L.145-2006, SECTION 150, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 12. (a) If a student is transferred under section 5 of this chapter from a school corporation in Indiana to a public school corporation in another state, the transferor corporation shall pay the transferee corporation the full tuition fee charged by the transferee corporation. However, the amount of the full tuition fee may not exceed the amount charged by the transferor corporation for the same class of school, or if the school does not have the same classification, the amount may not exceed the amount charged by the geographically nearest school corporation in Indiana that has the same classification.

(b) If a child is:

(1) placed by a court order in an out-of-state institution or other facility; and

(2) provided all educational programs and services by a public school corporation in the state where the child is placed, whether at the facility, the public school, or another location;

the ~~county office of family and children for the county placing the child~~ **department of child services** shall pay from the ~~county family and children's state child welfare~~ fund to the public school corporation in which the child is enrolled the amount of transfer tuition specified in subsection (c).

(c) The transfer tuition for which ~~a county office~~ **the department of child services** is obligated under subsection (b) is equal to the following:

(1) The amount under a written agreement among the ~~county office,~~ **department of child services,** the institution or other facility, and the governing body of the public school corporation

1 in the other state that specifies the amount and method of
2 computing transfer tuition.

3 (2) The full tuition fee charged by the transferee corporation, if
4 subdivision (1) does not apply. However, the amount of the full
5 tuition fee must not exceed the amount charged by the transferor
6 corporation for the same class of school, or if the school does not
7 have the same classification, the amount must not exceed the
8 amount charged by the geographically nearest school corporation
9 in Indiana that has the same classification.

10 (d) If a child is:

11 (1) placed by a court order in an out-of-state institution or other
12 facility; and

13 (2) provided:

14 (A) onsite educational programs and services either through
15 the facility's employees or by contract with another person or
16 organization that is not a public school corporation; or

17 (B) educational programs and services by a nonpublic school;
18 the ~~county office of family and children for the county placing the child~~
19 **department of child services** shall pay from the ~~county family and~~
20 ~~children's state child welfare~~ fund in an amount and in the manner
21 specified in a written agreement between the ~~county office~~ **department**
22 **of child services** and the institution or other facility.

23 (e) An agreement described in subsection (c) or (d) is subject to the
24 approval of the director of the department of child services. However,
25 for purposes of IC 4-13-2, the agreement shall not be treated as a
26 contract.

27 SECTION 88. IC 20-26-11-13, AS AMENDED BY P.L.2-2006,
28 SECTION 130, IS AMENDED TO READ AS FOLLOWS
29 [EFFECTIVE JANUARY 1, 2008]: Sec. 13. (a) As used in this section,
30 the following terms have the following meanings:

31 (1) "Class of school" refers to a classification of each school or
32 program in the transferee corporation by the grades or special
33 programs taught at the school. Generally, these classifications are
34 denominated as kindergarten, elementary school, middle school
35 or junior high school, high school, and special schools or classes,
36 such as schools or classes for special education, vocational
37 training, or career education.

38 (2) "Special equipment" means equipment that during a school
39 year:

40 (A) is used only when a child with disabilities is attending
41 school;

42 (B) is not used to transport a child to or from a place where the
43 child is attending school;

44 (C) is necessary for the education of each child with
45 disabilities that uses the equipment, as determined under the
46 individualized education program for the child; and

1 (D) is not used for or by any child who is not a child with
2 disabilities.

3 (3) "Student enrollment" means the following:

4 (A) The total number of students in kindergarten through
5 grade 12 who are enrolled in a transferee school corporation
6 on a date determined by the state board.

7 (B) The total number of students enrolled in a class of school
8 in a transferee school corporation on a date determined by the
9 state board.

10 However, a kindergarten student shall be counted under clauses
11 (A) and (B) as one-half (1/2) student. The state board may select
12 a different date for counts under this subdivision. However, the
13 same date shall be used for all school corporations making a count
14 for the same class of school.

15 (b) Each transferee corporation is entitled to receive for each school
16 year on account of each transferred student, except a student
17 transferred under section 6 of this chapter, transfer tuition from the
18 transferor corporation or the state as provided in this chapter. Transfer
19 tuition equals the amount determined under STEP THREE of the
20 following formula:

21 STEP ONE: Allocate to each transfer student the capital
22 expenditures for any special equipment used by the transfer
23 student and a proportionate share of the operating costs incurred
24 by the transferee school for the class of school where the transfer
25 student is enrolled.

26 STEP TWO: If the transferee school included the transfer student
27 in the transferee school's ADM for a school year, allocate to the
28 transfer student a proportionate share of the following general
29 fund revenues of the transferee school for, except as provided in
30 clause (C), the calendar year in which the school year ends:

31 (A) State tuition support distributions.

32 (B) Property tax levies.

33 (C) Excise tax revenue (as defined in IC 20-43-1-12) received
34 for deposit in the calendar year in which the school year
35 begins.

36 (D) Allocations to the transferee school under IC 6-3.5.

37 STEP THREE: Determine the greater of:

38 (A) zero (0); or

39 (B) the result of subtracting the STEP TWO amount from the
40 STEP ONE amount.

41 If a child is placed in an institution or facility in Indiana under a court
42 order, the institution or facility shall charge the ~~county office of the~~
43 ~~county of the student's legal settlement under IC 12-19-7~~ **department**
44 **of child services** for the use of the space within the institution or
45 facility (commonly called capital costs) that is used to provide
46 educational services to the child based upon a prorated per student cost.

(c) Operating costs shall be determined for each class of school where a transfer student is enrolled. The operating cost for each class of school is based on the total expenditures of the transferee corporation for the class of school from its general fund expenditures as specified in the classified budget forms prescribed by the state board of accounts. This calculation excludes:

- (1) capital outlay;
- (2) debt service;
- (3) costs of transportation;
- (4) salaries of board members;
- (5) contracted service for legal expenses; and
- (6) any expenditure that is made out of the general fund from extracurricular account receipts;

for the school year.

(d) The capital cost of special equipment for a school year is equal to:

- (1) the cost of the special equipment; divided by
- (2) the product of:
 - (A) the useful life of the special equipment, as determined under the rules adopted by the state board; multiplied by
 - (B) the number of students using the special equipment during at least part of the school year.

(e) When an item of expense or cost described in subsection (c) cannot be allocated to a class of school, it shall be prorated to all classes of schools on the basis of the student enrollment of each class in the transferee corporation compared with the total student enrollment in the school corporation.

(f) Operating costs shall be allocated to a transfer student for each school year by dividing:

- (1) the transferee school corporation's operating costs for the class of school in which the transfer student is enrolled; by
- (2) the student enrollment of the class of school in which the transfer student is enrolled.

When a transferred student is enrolled in a transferee corporation for less than the full school year of student attendance, the transfer tuition shall be calculated by the part of the school year for which the transferred student is enrolled. A school year of student attendance consists of the number of days school is in session for student attendance. A student, regardless of the student's attendance, is enrolled in a transferee school unless the student is no longer entitled to be transferred because of a change of residence, the student has been excluded or expelled from school for the balance of the school year or for an indefinite period, or the student has been confirmed to have withdrawn from school. The transferor and the transferee corporation may enter into written agreements concerning the amount of transfer tuition due in any school year. If an agreement cannot be reached, the

amount shall be determined by the state board, and costs may be established, when in dispute, by the state board of accounts.

(g) A transferee school shall allocate revenues described in subsection (b) STEP TWO to a transfer student by dividing:

- (1) the total amount of revenues received; by
- (2) the ADM of the transferee school for the school year that ends in the calendar year in which the revenues are received.

However, for state tuition support distributions or any other state distribution computed using less than the total ADM of the transferee school, the transferee school shall allocate the revenues to the transfer student by dividing the revenues that the transferee school is eligible to receive in a calendar year by the student count used to compute the state distribution.

(h) Instead of the payments provided in subsection (b), the transferor corporation or state owing transfer tuition may enter into a long term contract with the transferee corporation governing the transfer of students. The contract may:

- (1) be entered into for a period of not more than five (5) years with an option to renew;
- (2) specify a maximum number of students to be transferred; and
- (3) fix a method for determining the amount of transfer tuition and the time of payment, which may be different from that provided in section 14 of this chapter.

(i) If the school corporation can meet the requirements of IC 20-43-9-8, it may negotiate transfer tuition agreements with a neighboring school corporation that can accommodate additional students. Agreements under this section may:

- (1) be for one (1) year or longer; and
- (2) fix a method for determining the amount of transfer tuition or time of payment that is different from the method, amount, or time of payment that is provided in this section or section 14 of this chapter.

A school corporation may not transfer a student under this section without the prior approval of the child's parent.

(j) If a school corporation experiences a net financial impact with regard to transfer tuition that is negative for a particular school year as described in IC 20-45-6-8, the school corporation may appeal for an excessive levy as provided under IC 20-45-6-8.

SECTION 89. IC 20-26-11-17, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 17. (a) Each year before the date specified in the rules adopted by the state board, a school corporation shall report the information specified in subsection (b) for each student:

- (1) for whom tuition support is paid by another school corporation;
- (2) for whom tuition support is paid by the state; and

(3) who is enrolled in the school corporation but has the equivalent of a legal settlement in another state or country; to the county office (as defined in IC 12-7-2-45) for the county in which the principal office of the school corporation is located and to the department.

(b) Each school corporation shall provide the following information for each school year for each category of student described in subsection (a):

(1) The amount of tuition support and other support received for the students described in subsection (a).

(2) The operating expenses, as determined under section 13 of this chapter, incurred for the students described in subsection (a).

(3) Special equipment expenditures that are directly related to educating students described in subsection (a).

(4) The number of transfer students described in subsection (a).

(5) Any other information required under the rules adopted by the state board after consultation with the office of the secretary of family and social services.

(c) The information required under this section shall be reported in the format and on the forms specified by the state board.

(d) Not later than November 30 of each year the department shall compile the information required from school corporations under this section and submit the compiled information in the form specified by the office of the secretary of family and social services to the office of the secretary of family and social services.

(e) Not later than November 30 of each year each county office shall submit the following information to the office of the secretary of family and social services for each child who is described in IC 12-19-7-1(1) and is placed in another state or is a student in a school outside the school corporation where the child has legal settlement:

(1) The name of the child.

(2) The name of the school corporation where the child has legal settlement.

(3) The last known address of the custodial parent or guardian of the child.

(4) Any other information required by the office of the secretary of family and social services.

(f) Not later than December 31 of each year, the office of the secretary of family and social services shall submit a report to the members of the budget committee and the executive director of the legislative services agency that compiles and analyzes the information required from school corporations under this section. The report must identify the types of state and local funding changes that are needed to provide adequate state and local money to educate transfer students. A report submitted under this subsection to the executive director of the legislative services agency must be in an electronic format under

1 IC 5-14-6.

2 SECTION 90. IC 20-33-2-29, AS ADDED BY P.L.1-2005,
3 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JANUARY 1, 2008]: Sec. 29. (a) It is unlawful for a person operating
5 or responsible for:

- 6 (1) an educational;
- 7 (2) a correctional;
- 8 (3) a charitable; or
- 9 (4) a benevolent institution or training school;

10 to fail to ensure that a child under the person's authority attends school
11 as required under this chapter. Each day of violation of this section
12 constitutes a separate offense.

13 (b) If a child is placed in an institution or facility under a court
14 order, the institution or facility shall charge the ~~county office of family~~
15 ~~and children of the county of the child's legal settlement under~~
16 ~~IC 12-19-7~~ **department of child services** for the use of the space
17 within the institution or facility (commonly called capital costs) that is
18 used to provide educational services to the child based upon a prorated
19 per child cost.

20 SECTION 91. IC 31-9-2-17.4 IS ADDED TO THE INDIANA
21 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
22 [EFFECTIVE JANUARY 1, 2008]: **Sec. 17.4. "Child services"**
23 **means the following:**

24 (1) **Child welfare services specifically provided for children**
25 **who are:**

- 26 (A) **adjudicated to be:**
 - 27 (i) **children in need of services; or**
 - 28 (ii) **delinquent children; or**
- 29 (B) **recipients of or are eligible for:**
 - 30 (i) **informal adjustments;**
 - 31 (ii) **service referral agreements; and**
 - 32 (iii) **adoption assistance;**

33 **including the costs of using an institution or facility in Indiana**
34 **for providing educational services as described in either**
35 **IC 20-33-2-29 (if applicable) or IC 20-26-11-13 (if applicable),**
36 **all services required to be paid under IC 31-40-1-2, and all**
37 **costs required to be paid by a county under IC 20-26-11-12.**

38 (2) **Assistance awarded by a county to a destitute child under**
39 **IC 31-26-2.**

40 (3) **Child welfare services as described in IC 31-26-3.**

41 SECTION 92. IC 31-9-2-20.5 IS ADDED TO THE INDIANA
42 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
43 [EFFECTIVE JANUARY 1, 2008]: **Sec. 20.5. "Children's psychiatric**
44 **residential treatment services"** means services that are:

- 45 (1) **eligible for federal financial participation under the state**
46 **Medicaid plan; and**

(2) provided to individuals less than twenty-one (21) years of age who are:

- (A) eligible for services under the state Medicaid plan;
- (B) approved by the office for admission to and treatment in a private psychiatric residential treatment facility; and
- (C) residing in a private psychiatric residential facility for the purposes of treatment for a mental health condition, based on an approved treatment plan that complies with applicable federal and state Medicaid rules and regulations.

SECTION 93. IC 31-9-2-95.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 95.7. "Private psychiatric residential treatment facility"** means a privately owned and operated facility that:

- (1) provides inpatient treatment to individuals less than twenty-one (21) years of age for mental health conditions;
- (2) is licensed or certified by:
 - (A) the department; or
 - (B) the division of mental health and addiction;
 to provide children's psychiatric residential treatment services; and
- (3) is enrolled in the state Medicaid program as a provider eligible to provide children's psychiatric residential treatment services.

SECTION 94. IC 31-9-2-120.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 120.4. "State fund"** refers to the state child welfare fund established by IC 31-25-2-20.

SECTION 95. IC 31-9-2-120.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 120.6. "State Medicaid plan"** means the state plan approved by the United States Department of Health and Human Services for purposes of federal financial participation, under Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

SECTION 96. IC 31-12-1-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 9. (a)** In each of the judicial circuits in which this chapter applies, judges of the superior and circuit courts may appoint one (1) or more professionally qualified domestic relations:

- (1) referees;
- (2) counselors;
- (3) assistants; and
- (4) clerks;

as are considered necessary to serve at the pleasure of the appointing judge.

(b) The appointing judge shall fix the compensation and expense of the personnel appointed under this chapter, which shall be paid out of the ~~county~~ **state** general fund.

SECTION 97. IC 31-12-2-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. (a) The judges described in section 1(1) of this chapter and the judge described in section 1(2) of this chapter may appoint:

(1) one (1) or more professionally qualified domestic relations referees, counselors, and other necessary personnel, including a full-time director; and

(2) necessary assistants and clerks; to serve during the pleasure of the appointing judge to staff the domestic relations counseling bureau.

(b) The appointing judge shall fix the compensation and expenses of the personnel appointed under this chapter, which shall be paid out of the ~~county~~ **state** general fund.

SECTION 98. IC 31-25-2-7, AS ADDED BY P.L.145-2006, SECTION 271, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 7. The department is responsible for the following:

(1) Providing child protection services under this article.

(2) Providing and administering child abuse and neglect prevention services.

(3) Providing and administering:

(A) child services; ~~(as defined in IC 12-19-7-1); and~~

(B) children's psychiatric residential treatment services.

(4) Providing and administering family services.

(5) Providing family preservation services under IC 31-26-5.

(6) Regulating and licensing the following under IC 31-27:

(A) Child caring institutions.

(B) Foster family homes.

(C) Group homes.

(D) Child placing agencies.

(7) Administering the state's plan for the administration of Title IV-D of the federal Social Security Act (42 U.S.C. 651 et seq.).

(8) Administering foster care services.

(9) Administering independent living services (as described in 42 U.S.C. 677 et seq.).

(10) Administering adoption services.

SECTION 99. IC 31-25-2-17, AS ADDED BY P.L.145-2006, SECTION 271, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 17. (a) The department ~~may~~ **shall** establish a program to procure any of the services described in section 7 of this chapter under a procurement agreement administered by the department. The department may enter into procurement agreements that cover the delivery of one (1) or more categories of

1 services to all the counties in a region determined by the department.
 2 An agreement may provide for payment from state funds appropriated
 3 for the purpose. ~~or direct billing of services to the county receiving the~~
 4 ~~service.~~

5 (b) ~~If the department enters into a procurement agreement covering~~
 6 ~~a county; the~~ A county, including the county's juvenile court, shall
 7 procure all services covered by the procurement agreement in
 8 accordance with the ~~regional~~ procurement agreement and the policies
 9 prescribed by the department. With the approval of the department, a
 10 county may use services from an alternate provider.

11 (c) ~~The costs incurred under a procurement agreement shall be~~
 12 ~~shared by the counties covered by the procurement agreement. The~~
 13 ~~department shall allocate the costs of a regional procurement~~
 14 ~~agreement among the counties covered by the agreement in proportion~~
 15 ~~to the use of the services by each county under the schedule prescribed~~
 16 ~~by the department. A county shall pay the costs incurred under a~~
 17 ~~procurement agreement from the:~~

18 (1) ~~family and children's fund; or~~

19 (2) ~~children's psychiatric residential treatment services fund;~~

20 ~~as appropriate.~~

21 (d) ~~If the department pays the costs incurred under a procurement~~
 22 ~~contract from state funds appropriated for the purpose; the department~~
 23 ~~shall present a claim for reimbursement to the appropriate county~~
 24 ~~auditor. The county executive shall review and allow the full amount~~
 25 ~~of the claim in the manner provided in IC 36-2-6.~~

26 SECTION 100. IC 31-25-2-19, AS ADDED BY P.L.145-2006,
 27 SECTION 271, IS AMENDED TO READ AS FOLLOWS
 28 [EFFECTIVE JANUARY 1, 2008]: Sec. 19. (a) The department may
 29 charge the following adoption fees:

30 (1) An adoption placement fee that may not exceed the actual
 31 costs incurred by the county office for medical expenses of
 32 children and mothers.

33 (2) A fee that does not exceed the time and travel costs incurred
 34 by the county office for home study and investigation concerning
 35 a contemplated adoption.

36 (b) Fees charged under this section shall be deposited in a separate
 37 account in the ~~county~~ family and ~~children~~ **children's** trust clearance
 38 fund established under IC 12-19-1-16. Money deposited under this
 39 subsection shall be expended by the department for the following
 40 purposes without further appropriation:

41 (1) The care of children whose adoption is contemplated.

42 (2) The improvement of adoption services provided by the
 43 department.

44 (c) The director may adopt rules governing the expenditure of
 45 money under this section.

46 (d) The department may provide written authorization allowing a

1 county office to reduce or waive charges authorized under this section
 2 in hardship cases or for other good cause after investigation. The
 3 department may adopt forms on which the written authorization is
 4 provided.

5 SECTION 101. IC 31-25-2-20 IS ADDED TO THE INDIANA
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS
 7 [EFFECTIVE JANUARY 1, 2008]: **Sec. 20. (a) The state child**
 8 **welfare fund is established. The department shall administer the**
 9 **state fund.**

10 **(b) The state fund consists of the following:**

11 **(1) The money transferred to the state fund from county child**
 12 **welfare funds.**

13 **(2) Any fees or costs paid to the state by a child's parent or**
 14 **guardian under a support order or reimbursement order**
 15 **under IC 31-40-1.**

16 **(3) Any contributions to the state fund from individuals,**
 17 **corporations, foundations, or others for the purpose of**
 18 **providing child services.**

19 **(4) Any appropriations made to the state fund by the general**
 20 **assembly. However, this section does not obligate the general**
 21 **assembly to appropriate money to the state fund.**

22 **(5) Any TANF program (as defined in IC 12-7-2-189.8),**
 23 **Medicaid program (as defined in IC 12-7-2-128), or other**
 24 **grants that are received from the federal government and**
 25 **deposited in the state fund.**

26 **(6) Any other money required by law to be deposited in the**
 27 **state fund.**

28 **(c) The department shall pay the following from the state fund:**

29 **(1) Expenses and obligations incurred by the department in**
 30 **the payment of child services for children adjudicated to be:**

31 **(A) children in need of services; or**

32 **(B) delinquent children;**

33 **and other related services, but not including the payment of**
 34 **TANF (as defined in IC 12-7-2-189.7).**

35 **(2) Expenses and obligations incurred by the department or**
 36 **the division of family resources in the payment of children's**
 37 **psychiatric residential treatment services for children who are**
 38 **residents of Indiana.**

39 **(3) Medical care, including psychiatric care and institutional**
 40 **psychiatric care, for wards of the department (described in**
 41 **IC 12-15-2-16).**

42 **(4) Services to children with special health care needs.**

43 **(5) Any other expenditures for services described in section 7**
 44 **of this chapter or a procurement agreement described in**
 45 **section 17 of this chapter.**

46 **(6) Any expense of the type that was payable before January**
 47 **1, 2008 from the following:**

1 (A) A county family and children's fund.

2 (B) A county children's psychiatric residential treatment
3 services fund.

4 (C) The children with special health care needs state fund.

5 (D) The state medical assistance to wards fund.

6 (7) Any other expense or obligation that is required to be paid
7 from the state fund by law.

8 (d) The department may use money in the state fund to settle the
9 relative obligations of a county and the department for services
10 provided before January 1, 2008.

11 (e) The treasurer of state shall invest the money in the state fund
12 not currently needed to meet the obligations of the state fund in the
13 same manner as other public money may be invested.

14 (f) Money in the state fund at the end of a state fiscal year does
15 not revert to the state general fund.

16 SECTION 102. IC 31-26-2-10, AS ADDED BY P.L.145-2006,
17 SECTION 272, IS AMENDED TO READ AS FOLLOWS
18 [EFFECTIVE JANUARY 1, 2008]: Sec. 10. (a) Upon the completion
19 of an investigation under section 9 of this chapter, the county office
20 shall do the following:

21 (1) Determine whether the child is eligible for assistance under
22 this chapter and the department's rules.

23 (2) Determine the amount of the assistance and the date on which
24 the assistance is to begin.

25 (3) Make an award, including any subsequent modification of the
26 award, with which the department shall comply until the award or
27 modified award is vacated.

28 (4) Notify the applicant and the department of the county office's
29 decision in writing.

30 (b) The county office shall provide assistance to the recipient at
31 least monthly upon warrant of the county auditor. The assistance must
32 be:

33 (1) ~~made paid by the state~~ from the ~~county family and children's~~
34 ~~state~~ fund; and

35 (2) based ~~on~~ upon a verified schedule of the recipients.

36 (c) The director of the county office shall prepare and verify the
37 amount payable to the recipient, in relation to the awards made by the
38 county office. The department shall prescribe the form on which the
39 schedule under subsection (b)(2) must be filed.

40 SECTION 103. IC 31-26-3-2, AS ADDED BY P.L.145-2006,
41 SECTION 272, IS AMENDED TO READ AS FOLLOWS
42 [EFFECTIVE JANUARY 1, 2008]: Sec. 2. (a) This section does not
43 apply to a county office's:

44 (1) administrative expenses; or

45 (2) expenses regarding facilities, supplies, and equipment.

46 (b) Necessary expenses incurred in the administration of the child

1 welfare services under section 1 of this chapter shall be paid ~~out of the~~
 2 ~~county welfare fund or the county family and children's by the state~~
 3 ~~from the state fund. (whichever is appropriate).~~

4 SECTION 104. IC 31-31-3-5 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. The ~~county~~
 6 **state** shall pay the salary of a part-time juvenile court referee appointed
 7 under this chapter.

8 SECTION 105. IC 31-31-5-2 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. (a) The salary
 10 of a probation officer shall be fixed by the county fiscal body in
 11 accordance with the salary schedule adopted by the county fiscal body
 12 under IC 36-2-16.5. ~~The salary of a probation officer shall be paid by~~
 13 ~~the county.~~

14 (b) Subject to the approval of the ~~county fiscal body~~ **division of**
 15 **state court administration**, the judge shall fix and the county shall
 16 pay the salaries of juvenile court employees other than probation
 17 officers.

18 (c) In addition to their annual salary, probation officers shall be
 19 reimbursed for any necessary travel expenses incurred in the
 20 performance of their duties in accordance with the law governing state
 21 officers and employees.

22 SECTION 106. IC 31-31-8-3 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. (a) The
 24 juvenile court may establish juvenile detention and shelter care
 25 facilities for children, except as provided by IC 31-31-9.

26 (b) The court may contract with other agencies to provide juvenile
 27 detention and shelter care facilities.

28 (c) If the juvenile court operates the juvenile detention and shelter
 29 care facilities, the judge shall appoint staff and determine the budgets.

30 (d) The county shall pay all expenses. The expenses for the juvenile
 31 detention facility shall be paid from the county general fund. ~~Payment~~
 32 ~~of the expenses for the juvenile detention facility may not be paid from~~
 33 ~~the county family and children's fund established by IC 12-19-7-3.~~

34 SECTION 107. IC 31-31-8-4 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. (a) This section
 36 applies to a county having a population of more than one hundred ten
 37 thousand (110,000) but less than one hundred fifteen thousand
 38 (115,000).

39 (b) Notwithstanding section 3 of this chapter, the juvenile court
 40 shall operate a juvenile detention facility or juvenile shelter care
 41 facility established in the county. However, the county legislative body
 42 shall determine the budget for the juvenile detention facility or juvenile
 43 shelter care facility. The expenses for the juvenile detention facility
 44 shall be paid from the county general fund. ~~Payment of the expenses for~~
 45 ~~the juvenile detention facility may not be paid from the county family~~
 46 ~~and children's fund established by IC 12-19-7-3.~~

1 SECTION 108. IC 31-34-8-9 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 9. (a) The
 3 probation department for the juvenile court shall:

- 4 (1) collect the informal adjustment program fee set by section 8
 5 of this chapter; and
- 6 (2) transfer the collected informal adjustment program fees to the
 7 **county auditor of state** not later than thirty (30) days after the fees
 8 are collected.

9 (b) The **county auditor of state** shall deposit the fees in the **county**
 10 **user fee state general fund**. ~~established by IC 33-37-8-5.~~

11 SECTION 109. IC 31-34-24-8, AS AMENDED BY P.L.145-2006,
 12 SECTION 327, IS AMENDED TO READ AS FOLLOWS
 13 [EFFECTIVE JANUARY 1, 2008]: Sec. 8. In preparing the plan, the
 14 team shall review and consider existing publicly and privately funded
 15 programs that are available or that could be made available in the
 16 county to provide supportive services to or for the benefit of children
 17 described in section 3 of this chapter without removing the child from
 18 the family home, including programs funded through the following:

- 19 (1) Title IV-B of the Social Security Act (42 U.S.C. 620 et seq.).
- 20 (2) Title IV-E of the Social Security Act (42 U.S.C. 670 et seq.).
- 21 (3) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).
- 22 (4) The Child Abuse Prevention and Treatment Act (42 U.S.C.
 23 5106 et seq.).
- 24 (5) Community corrections programs under IC 11-12.
- 25 (6) Special education programs under IC 20-35-6-2.
- 26 (7) All programs designed to prevent child abuse, neglect, or
 27 delinquency, or to enhance child welfare and family preservation
 28 administered by, or through funding provided by, the department,
 29 county offices, prosecutors, or juvenile courts, including programs
 30 funded under ~~IC 12-19-7~~ and IC 31-40.
- 31 (8) Probation user's fees under IC 31-40-2-1.
- 32 (9) Child advocacy fund under IC 12-17-17.

33 SECTION 110. IC 31-34-24-13 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 13. (a) Upon
 35 receiving the initial plan and each revised or updated plan, the **county**
 36 **fiscal body department** shall consider the plan. ~~in developing the~~
 37 ~~family and children's fund budget.~~

38 (b) The **county fiscal body department** may appropriate from the
 39 **family and children's fund** any amounts necessary **use money from the**
 40 **state fund** to provide funding to implement the plan.

41 SECTION 111. IC 31-37-24-8, AS AMENDED BY P.L.145-2006,
 42 SECTION 355, IS AMENDED TO READ AS FOLLOWS
 43 [EFFECTIVE JANUARY 1, 2008]: Sec. 8. In preparing the plan, the
 44 team shall review and consider existing publicly and privately funded
 45 programs that are available or that could be made available in the
 46 county to provide supportive services to or for the benefit of children

described in section 3 of this chapter without removing the child from the family home, including programs funded through the following:

- (1) Title IV-B of the Social Security Act (42 U.S.C. 620 et seq.).
- (2) Title IV-E of the Social Security Act (42 U.S.C. 670 et seq.).
- (3) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).
- (4) The Child Abuse Prevention and Treatment Act (42 U.S.C. 5106 et seq.).
- (5) Community corrections programs under IC 11-12.
- (6) Special education programs under IC 20-35-6-2.
- (7) All programs designed to prevent child abuse, neglect, or delinquency, or to enhance child welfare and family preservation administered by, or through funding provided by, the department, county offices, prosecutors, or juvenile courts, including programs funded under ~~IC 12-19-7~~ and IC 31-40.
- (8) Probation user's fees under IC 31-40-2-1.
- (9) The child advocacy fund under IC 12-17-17.

SECTION 112. IC 31-40-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. This article applies to a financial burden sustained by ~~a county~~ **the state** as the result of costs paid by the ~~county~~ **state** under section 2 of this chapter, including costs resulting from the institutional placement of a child adjudicated a delinquent child or a child in need of services.

SECTION 113. IC 31-40-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. ~~(a)~~ **The county department** shall pay from the ~~county family and children's state~~ fund the cost of:

- (1) any services ordered by the juvenile court for any child or the child's parent, guardian, or custodian, other than secure detention; and
- (2) returning a child under IC 31-37-23.

~~(b) The county fiscal body shall provide sufficient money to meet the court's requirements.~~

SECTION 114. IC 31-40-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. (a) A parent or guardian of the estate of a child adjudicated a delinquent child or a child in need of services is financially responsible as provided in this chapter (or IC 31-6-4-18(e) before its repeal) for any services ordered by the court.

(b) Each parent of a child alleged to be a child in need of services or alleged to be a delinquent child shall, before a dispositional hearing, furnish the court with an accurately completed and current child support obligation worksheet on the same form that is prescribed by the Indiana supreme court for child support orders.

(c) At:

- (1) a detention hearing;
- (2) a hearing that is held after the payment of costs ~~by a county~~

under section 2 of this chapter (or IC 31-6-4-18(b) before its repeal);

(3) the dispositional hearing; or

(4) any other hearing to consider modification of a dispositional decree;

the juvenile court shall order the child's parents or the guardian of the child's estate to pay for, or reimburse the county **or the department, as appropriate**, for the cost of services provided to the child or the parent or guardian unless the court finds that the parent or guardian is unable to pay or that justice would not be served by ordering payment from the parent or guardian.

(d) Subject to subsection (e), whenever the court orders a child's parent or the guardian of the child's estate to make a payment or reimbursement under subsection (c), the court shall order the reimbursement to be paid to:

(1) the county if the county paid the cost of services or is required to reimburse the department for the cost of services; and

(2) if subdivision (1) does not apply, the department.

(e) If the county executive adopts a resolution incorporating a written agreement with the department to offset payments against any reimbursement otherwise due from the county to the department, the court may order that payment that is required to be made to the county under subsection (d)(1) be made to the department.

SECTION 115. IC 31-40-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. **Subject to section 3(e) of this chapter**, the parent or guardian of the estate of any child returned to Indiana under the interstate compact on juveniles under IC 31-37-23 shall reimburse the county **or the department, as appropriate**, for all costs involved in returning the child that the court orders the parent or guardian to pay under section 3 of this chapter (or IC 31-6-4-18(e) before its repeal) whether or not the child has been adjudicated a delinquent child or a child in need of services.

SECTION 116. IC 31-40-1-5, AS AMENDED BY P.L.145-2006, SECTION 362, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. (a) This section applies whenever the court orders or approves removal of a child from the home of a child's parent or guardian and placement of the child in a child caring institution (as defined in IC 31-9-2-16.7), a foster family home (as defined in IC 31-9-2-46.9), or the home of a relative of the child that is not a foster family home.

(b) If an existing support order is in effect, the court shall order the support payments to be assigned to the ~~county office~~ **department** for the duration of the placement out of the home of the child's parent or guardian. The court shall notify the court that:

1 (1) entered the existing support order; or
 2 (2) had jurisdiction, immediately before the placement, to modify
 3 or enforce the existing support order;
 4 of the assignment and assumption of jurisdiction by the juvenile court
 5 under this section.

6 (c) If an existing support order is not in effect, the court shall do the
 7 following:

8 (1) Include in the order for removal or placement of the child an
 9 assignment to the ~~county office~~, **department**, or confirmation of
 10 an assignment that occurs or is required under applicable federal
 11 law, of any rights to support, including support for the cost of any
 12 medical care payable by the state under IC 12-15, from any parent
 13 or guardian who has a legal obligation to support the child.

14 (2) Order support paid to the ~~county office~~ **department** by each
 15 of the child's parents or the guardians of the child's estate to be
 16 based on child support guidelines adopted by the Indiana supreme
 17 court and for the duration of the placement of the child out of the
 18 home of the child's parent or guardian, unless:

19 (A) the court finds that entry of an order based on the child
 20 support guidelines would be unjust or inappropriate
 21 considering the best interests of the child and other necessary
 22 obligations of the child's family; or

23 (B) the county office **or the department** does not make foster
 24 care maintenance payments to the custodian of the child. For
 25 purposes of this clause, "foster care maintenance payments"
 26 means any payments for ~~the cost of (in whole or in part) and~~
 27 the cost of providing food, clothing, shelter, daily supervision,
 28 school supplies, a child's personal incidentals, liability
 29 insurance with respect to a child, and reasonable amounts for
 30 travel to the child's home for visitation. In the case of a child
 31 caring institution, the term also includes the reasonable costs
 32 of administration and operation of the institution as are
 33 necessary to provide the items described in this clause.

34 (3) If the court:

35 (A) does not enter a support order; or

36 (B) enters an order that is not based on the child support
 37 guidelines;

38 the court shall make findings as required by 45 CFR 302.56(g).

39 (d) Payments in accordance with a support order assigned under
 40 subsection (b) or entered under subsection (c) (or IC 31-6-4-18(f)
 41 before its repeal) shall be paid through the clerk of the circuit court as
 42 trustee for remittance to the ~~county office~~, **department**.

43 (e) The Title IV-D agency shall establish, modify, or enforce a
 44 support order assigned or entered by a court under this section in
 45 accordance with IC 31-25-3, IC 31-25-4, and 42 U.S.C. 654. The
 46 county office shall, if requested, assist the Title IV-D agency in

performing its duties under this subsection.

(f) If the juvenile court terminates placement of a child out of the home of the child's parent or guardian, the court shall:

(1) notify the court that:

(A) entered a support order assigned to the county office under subsection (b); or

(B) had jurisdiction, immediately before the placement, to modify or enforce the existing support order;

of the termination of jurisdiction of the juvenile court with respect to the support order;

(2) terminate a support order entered under subsection (c) that requires payment of support by a custodial parent or guardian of the child, with respect to support obligations that accrue after termination of the placement; or

(3) continue in effect, subject to modification or enforcement by a court having jurisdiction over the obligor, a support order entered under subsection (c) that requires payment of support by a noncustodial parent or guardian of the estate of the child.

(g) The court may at or after a hearing described in section 3 of this chapter order the child's parent or the guardian of the child's estate to reimburse the county office for all or any portion of the expenses for services provided to or for the benefit of the child that are paid from the county family and children's fund during the placement of the child out of the home of the parent or guardian, in addition to amounts reimbursed through payments in accordance with a support order assigned or entered as provided in this section, subject to applicable federal law.

SECTION 117. IC 31-40-1-6, AS AMENDED BY P.L.145-2006, SECTION 363, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 6. (a) The department, with the approval of the county fiscal body, may contract with any of the following, on terms and conditions with respect to compensation and payment or reimbursement of expenses as the department may determine, for the enforcement and collection of any parental reimbursement obligation established by order entered by the court under section 3 or 5(g) of this chapter:

(1) The prosecuting attorney of the county that paid the cost of the services ordered by the court. ~~as provided in section 2 of this chapter.~~

(2) An attorney for the department on behalf of the county office that paid the cost of services ordered by the court, if the attorney is not an employee of the county office or the department.

(3) An attorney licensed to practice law in Indiana.

(b) A contract entered into under this section is subject to approval under IC 4-13-2-14.1.

(c) Any fee payable to a prosecuting attorney under a contract under

subsubsection (a)(1) shall be deposited in the county general fund and credited to a separate account identified as the prosecuting attorney's child services collections account. The prosecuting attorney may expend funds credited to the prosecuting attorney's child services collections account, without appropriation, only for the purpose of supporting and enhancing the functions of the prosecuting attorney in enforcement and collection of parental obligations ~~to reimburse the county family and children's fund.~~ **ordered by the court under section 3 or 5(g) of this chapter.**

SECTION 118. IC 31-40-1-7, AS AMENDED BY P.L.145-2006, SECTION 364, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 7. (a) Amounts received as payment of support or reimbursement of the cost of services paid as provided in this chapter shall be distributed in the following manner:

(1) If any part of the cost of services was paid from federal funds under Title IV Part E of the Social Security Act (42 U.S.C. 671 et seq.), the amounts received shall first be applied as provided in 42 U.S.C. 657 and 45 CFR 302.52.

(2) All amounts remaining after the distributions required by subdivision (1) shall be deposited in the ~~family and children's~~ **state** fund. ~~(established by IC 12-19-7-3) of the county that paid the cost of the services.~~

(b) Any money deposited in ~~a county family and children's~~ **the state** fund under this section shall be reported to the department, in the form and manner prescribed by the department. ~~and shall be applied to the child services budget compiled and adopted by the county director for the next state fiscal year, in accordance with IC 12-19-7-6.~~

SECTION 119. IC 33-23-4-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. (a) Sitting in committee, the judges of the courts listed in section 3 of this chapter in each county shall determine the duties of the court administrator, and the court administrator shall perform the administrative duties the judges determine.

(b) The salary of the court administrator shall be determined by a majority of the judges listed in section 3 of this chapter in each county, sitting in committee. ~~The court administrator's salary shall be paid by the county upon the order of the majority of the committee of judges.~~

SECTION 120. IC 33-23-4-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 6. ~~(a)~~ To implement this chapter, the judges of the courts, sitting in committee, may appoint additional personnel in sufficient number so that the courts are adequately served by the court administrator.

~~(b) The salaries of the additional personnel shall be paid by the county upon the order of the committee of judges.~~

SECTION 121. IC 33-23-15 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE

1 JANUARY 1, 2008]:

2 **Chapter 15. Court Expenditures**

3 **Sec. 1. Notwithstanding any other law, this chapter governs the**
4 **operations of the following courts:**

- 5 (1) Circuit court.
- 6 (2) Superior court.
- 7 (3) Probate court.
- 8 (4) County court.

9 **Sec. 2. As used in this chapter, "court" refers to a court**
10 **described in section 1 of this chapter.**

11 **Sec. 3. (a) In addition to the authority provided to a court under**
12 **IC 31 and this title to employ, manage, and fix the salary of a**
13 **judicial officer, a bailiff, a court reporter, a probation officer, a**
14 **court clerk, and other personnel (including an administrative**
15 **officer) necessary to transact the business of the court, a court**
16 **may, individually or jointly with another court, adopt rules to**
17 **provide for the administration of the court, including rules**
18 **governing the following:**

- 19 (1) Legal representation for indigents.
- 20 (2) Budgetary matters of the court.
- 21 (3) Operation of the probation department.
- 22 (4) Employment and management of court administrative
- 23 officers.
- 24 (5) Appointment and management of court appointed special
- 25 advocates and guardians ad litem.
- 26 (6) Maintenance of an adequate law library.
- 27 (7) Cooperative efforts with other courts for establishing and
- 28 administering shared programs and facilities.
- 29 (8) Operation of the office of the county clerk.

30 **(b) The authority and rules of administration described in**
31 **subsection (a) must be consistent with the rules adopted by the**
32 **supreme court.**

33 **Sec. 4. A court shall submit a budget for the court to the division**
34 **of state court administration in conformity with the rules adopted**
35 **by the supreme court.**

36 **Sec. 5. The supreme court shall present a consolidated budget**
37 **for the operation of all courts to the general assembly and the**
38 **budget agency at the times and in the format the budget agency**
39 **requests. The budget must cover all personnel and other operating**
40 **expenses of courts except the expenditures described in sections 7**
41 **and 8 of this chapter.**

42 **Sec. 6. Except as provided in sections 7 and 8 of this chapter, the**
43 **state shall pay the personnel and other operating expenses of all**
44 **courts from the amounts appropriated for the operation of courts.**

45 **Sec. 7. (a) A county served by a court shall pay the following**
46 **capital, personnel, and other operating expenses of a court that are**
47 **not otherwise paid with federal, state, or private funds:**

(1) Costs of providing and maintaining a suitable courtroom and other rooms and facilities, including furniture and equipment, as may be necessary for the judge and administrative officers of the court.

(2) Costs of providing and operating a juvenile detention facility (as defined in IC 31-9-2-71), except for the costs of employing probation officers who provide services in a juvenile detention facility in conformity with rules adopted by the supreme court.

(3) Costs of providing and operating a secure private facility (as defined in IC 31-9-2-115) operated by the court.

(4) Other costs for court operations as provided by law.

(b) The county shall provide a suitable place for each court sitting in the county to hold court.

Sec. 8. Regardless of whether personnel from any of the following offices or programs are assigned to a court, a county shall pay the capital, personnel, and other operating expenses of the following offices and programs that are not otherwise paid with federal, state, or private funds:

(1) Sheriff.

(2) Prosecuting attorney.

(3) Community corrections program.

(4) Other programs as provided by law.

Sec. 9. The county executive shall provide and maintain a suitable courtroom and facilities, including furniture and equipment, as necessary, for the use of the judges and court administrative officers serving the county.

SECTION 122. IC 33-23-16 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]:

Chapter 16. Court Administrative Officers

Sec. 1. Notwithstanding any other law, this chapter governs the operations of the following courts:

(1) Circuit court.

(2) Superior court.

(3) Probate court.

(4) County court.

Sec. 2. As used in this chapter, "administrative officer" means hearing judges, magistrates, commissioners, referees, bailiffs, court reporters, probation officers, or other permanent or temporary employees required to efficiently serve a court.

Sec. 3. As used in this chapter, "court" refers to a court described in section 1 of this chapter.

Sec. 4. A court may:

(1) employ an administrative officer necessary to transact the business of the court;

(2) fix the salary of an administrative officer;

1 **(3) submit a budget; and**

2 **(4) adopt rules and procedures for the administration of the**
 3 **court.**

4 **Sec. 5. The supreme court may adopt rules to govern the**
 5 **employment and management of administrative officers. A court**
 6 **shall comply with the rules adopted under this section.**

7 SECTION 123. IC 33-28-4-3, AS AMENDED BY P.L.80-2006,
 8 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JANUARY 1, 2008]: Sec. 3. (a) The jury commissioners shall
 10 immediately, from lists approved by the supreme court that may be
 11 used to select prospective jurors, examine for the purpose of
 12 determining the sex, age, and identity of prospective jurors, and
 13 proceed to select and deposit, in a box furnished by the clerk for that
 14 purpose, the names, written on separate slips of paper of uniform
 15 shape, size, and color, of twice as many persons as will be required by
 16 law for grand and petit jurors in the courts of the county, for all the
 17 terms of the courts, to begin with the following calendar year.

18 (b) Each selection shall be made as nearly as possible in proportion
 19 to the population of each county commissioner's district. In making the
 20 selections, the jury commissioners shall in all things observe their
 21 oaths. The jury commissioners shall not select the name of any person
 22 who is to them known to be interested in or has case pending that may
 23 be tried by a jury to be drawn from the names so selected.

24 (c) The jury commissioners shall deliver the locked box to the clerk
 25 of the circuit court, after having deposited into the box the names as
 26 directed under this section. The key shall be retained by one (1) of the
 27 jury commissioners, who may not be an adherent of the same political
 28 party as the clerk.

29 (d) In a county containing a consolidated city, the jury
 30 commissioners may, upon an order made by the judge of the circuit
 31 court and entered in the records of the circuit court of the county, make
 32 the selections and deposits required under this section monthly instead
 33 of annually. The jury commissioners may omit the personal
 34 examination of prospective jurors and make selection without reference
 35 to county commissioners' districts. The judge of the circuit court in a
 36 county containing a consolidated city may do the following:

37 (1) Appoint a secretary for the jury commissioners, and sufficient
 38 stenographic aid and clerical help to properly perform the duties
 39 of the jury commissioners.

40 (2) Fix the salaries of the commissioners, the secretary, and
 41 stenographic and clerical employees.

42 (3) Provide office quarters and necessary supplies for the jury
 43 commissioners and their employees.

44 The expenses incurred under this subsection shall be paid for from the
 45 treasury of the county **state general fund** upon the order of the court.

46 (e) Subject to ~~appropriations made by the county fiscal body,~~

1 **approval by the division of state court administration,** the jury
 2 commissioners may use a computerized jury selection system.
 3 However, the system used for the selection system must be fair and
 4 may not violate the rights of persons with respect to the impartial and
 5 random selection of prospective jurors. The jurors selected under the
 6 computerized jury selection system must be eligible for selection under
 7 this chapter. The commissioners shall deliver the names of the
 8 individuals selected to the clerk of the circuit court. The commissioners
 9 shall observe their oath in all activities taken under this subsection.

10 SECTION 124. IC 33-28-4-7, AS AMENDED BY P.L.2-2005,
 11 SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JANUARY 1, 2008]: Sec. 7. (a) The circuit court shall appoint a person
 13 to fill a vacancy, or to act for a jury commissioner, as the case may
 14 require, if:

- 15 (1) a vacancy occurs in the office of jury commissioner;
- 16 (2) a jury commissioner fails to act when required; or
- 17 (3) illness or any other cause renders a jury commissioner unable
 18 to act.

19 (b) A person appointed under subsection (a):

- 20 (1) must possess the qualifications required for jury
 21 commissioners;
- 22 (2) must be an adherent of the same political party as is the
 23 commissioner in whose stead the person is appointed to serve;
 24 and
- 25 (3) shall take the oath required by this chapter.

26 (c) For the time actually employed in the performance of jury
 27 commissioner's duties, each jury commissioner shall be allowed a per
 28 diem to be:

- 29 (1) fixed by the court; and
- 30 (2) paid out of the ~~county treasury upon the warrant of the county~~
 31 ~~auditor:~~ **state general fund.**

32 SECTION 125. IC 33-29-1-5 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. (a) The judge
 34 of a standard superior court shall appoint a bailiff and an official court
 35 reporter for the court.

36 (b) The salaries of the bailiff and the official court reporter shall be:

- 37 (1) fixed in the same manner as the salaries of the bailiff and the
 38 official court reporter for the circuit court of the county in which
 39 the standard superior court is located; and
- 40 (2) paid monthly
- 41 ~~(A) out of the treasury of the county in which the standard~~
 42 ~~superior court is located; and~~
- 43 ~~(B) as provided by law.~~

44 **state general fund.**

45 SECTION 126. IC 33-30-6-4 IS AMENDED TO READ AS
 46 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. Any judge

transferred to a court in another county shall be paid travel and other necessary expenses by the ~~county to which the judge is transferred~~ **state**. An allowance for expenses shall be certified by the chief justice in duplicate to the auditor of ~~the county~~ **state**.

SECTION 127. IC 33-30-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. (a) The county shall furnish all supplies, including the following:

- (1) Blanks, forms, and papers of every kind required for use in all cases.
- (2) Furniture.
- (3) Books.
- (4) Papers.
- (5) Stationery.
- (6) Recording devices.
- (7) Other equipment and supplies of every character necessary for the keeping of the records of the proceedings and maintaining of the county court.

(b) The county shall provide a suitable place for the holding of court for the judge of the county court sitting in the county.

(c) ~~The county~~ **state** shall pay the salary of the:

- (1) deputy clerk;
- (2) county police officer;
- (3) bailiff; and
- (4) reporter;

assigned to the county court as prescribed by law.

SECTION 128. IC 33-30-7-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. (a) The salary of a county court judge who serves more than one (1) county shall be paid by the ~~respective counties~~ **state** in equal amounts.

(b) The salary of every county court judge, as set by IC 33-38-5, shall be paid in equal monthly installments.

SECTION 129. IC 33-31-1-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 13. (a) When a person is appointed judge pro tem under this chapter, the appointee is entitled to ten dollars (\$10) for each day the appointee serves as the judge to be paid

- ~~(1) out of the county treasury of the county where the probate court is held;~~
- ~~(2) upon the warrant of the county auditor; and~~
- ~~(3) based upon the filing of a claim approved by the judge of the court.~~

by the state from the state general fund.

(b) Any amount more than five hundred dollars (\$500) allowed to a judge pro tem during any year shall be deducted ~~by the board of county commissioners~~ from the regular annual salary of the judge of the probate court making the appointment unless the judge pro tem is

1 appointed on account of change of venue, relationship, interest as
 2 former counsel, or absence of judge in case of serious sickness of the
 3 judge or a family member of the judge.

4 SECTION 130. IC 33-31-1-20 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 20. (a) The same
 6 docket fees shall be taxed in the court as are provided by law to be
 7 taxed in the circuit court.

8 (b) The fees, when collected, shall be ~~paid by the clerk to the~~
 9 ~~treasurer of the county to be applied in reimbursing the county for~~
 10 ~~expenses of the court.~~ **deposited in the state general fund.**

11 SECTION 131. IC 33-31-1-22 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 22. The probate
 13 court may appoint a chief clerk and other employees as the judge
 14 considers necessary whose salaries shall be:

15 (1) fixed by the judge; and ~~be~~

16 (2) paid out of the ~~county treasury.~~ **state general fund.**

17 SECTION 132. IC 33-33-2-4 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. (a) The Allen
 19 circuit court has concurrent jurisdiction with the Allen superior court
 20 concerning paternity actions.

21 (b) In addition to the magistrate appointed under section 3 of this
 22 chapter, the judge of the Allen circuit court may appoint a hearing
 23 officer with the powers of a magistrate under IC 33-23-5. The hearing
 24 officer continues in office until removed by the judge.

25 (c) The salary of a hearing officer appointed under subsection (b) is
 26 equal to that of a magistrate under IC 33-23-5. The hearing officer's
 27 salary ~~must be~~ **is** paid by the ~~county.~~ **state from the state general**
 28 **fund.** The hearing officer is a county employee.

29 SECTION 133. IC 33-33-2-14 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 14. (a) The Allen
 31 superior court may appoint probate commissioners, juvenile referees,
 32 bailiffs, court reporters, probation officers, and other personnel,
 33 including an administrative officer, the court believes are necessary to
 34 facilitate and transact the business of the court.

35 (b) In addition to the personnel authorized under subsection (a) and
 36 IC 31-31-3, the following magistrates may be appointed:

37 (1) The judges of the Allen superior court-civil division may
 38 jointly appoint not more than four (4) full-time magistrates under
 39 IC 33-23-5 to serve the Allen superior court-civil division. The
 40 judges of the Allen superior court-civil division may jointly assign
 41 any magistrates the duties and powers of a probate commissioner.

42 (2) The judge of the Allen superior court-criminal division may
 43 jointly appoint not more than three (3) full-time magistrates under
 44 IC 33-23-5 to serve the Allen superior court-criminal division.
 45 Any magistrate serves at the pleasure of, and continues in office
 46 until jointly removed by, the judges of the division that appointed

1 the magistrate.

2 (c) All appointments made under this section must be made without
 3 regard to the political affiliation of the appointees. The salaries of the
 4 personnel shall be fixed and paid as provided by law. If the salaries of
 5 any of the personnel are not provided by law, the amount and time of
 6 payment of the salaries shall be fixed by the court, to be paid ~~out of by~~
 7 ~~the county treasury by the county auditor, upon the order of the court,~~
 8 **and be entered of record state from the state general fund.** The
 9 officers and persons appointed shall perform duties as are prescribed
 10 by the court. Any administrative officer appointed by the court shall
 11 operate under the jurisdiction of the chief judge and serve at the
 12 pleasure of the chief judge. Any probate commissioners, magistrates,
 13 juvenile referees, bailiffs, court reporters, probation officers, and other
 14 personnel appointed by the court serve at the pleasure of the court.

15 (d) Any probate commissioner appointed by the court may be vested
 16 by the court with all suitable powers for the handling and management
 17 of the probate and guardianship matters of the court, including the
 18 fixing of all bonds, the auditing of accounts of estates and
 19 guardianships and trusts, acceptance of reports, accounts, and
 20 settlements filed in the court, the appointment of personal
 21 representatives, guardians, and trustees, the probating of wills, the
 22 taking and hearing of evidence on or concerning such matters, or any
 23 other probate, guardianship, or trust matters in litigation before the
 24 court, the enforcement of court rules and regulations, the making of
 25 reports to the court concerning the probate commissioner's actions
 26 under this subsection, including the taking and hearing of evidence
 27 together with the commissioner's findings and conclusions regarding
 28 the evidence. However, all matters under this subsection are under the
 29 final jurisdiction and decision of the judges of the court.

30 (e) A juvenile referee appointed by the court may be vested by the
 31 court with all suitable powers for the handling and management of the
 32 juvenile matters of the court, including the fixing of bonds, the taking
 33 and hearing of evidence on or concerning any juvenile matters in
 34 litigation before the court, the enforcement of court rules and
 35 regulations, and the making of reports to the court concerning the
 36 referee's actions under this subsection. The actions of a juvenile referee
 37 under this subsection are under final jurisdiction and decision of the
 38 judges of the court.

39 (f) A probate commissioner or juvenile referee may:

40 (1) summon witnesses to testify before the commissioner or
 41 juvenile referee; and

42 (2) administer oaths and take acknowledgments;

43 to carry out the commissioner's or juvenile referee's duties and powers.

44 (g) The powers of a magistrate appointed under this section include
 45 the powers provided in IC 33-23-5 and the power to enter a final order
 46 or judgment in any proceeding involving matters specified in

IC 33-29-2-3 (jurisdiction of small claims docket) or IC 34-26-5 (protective orders to prevent domestic or family violence).

SECTION 134. IC 33-33-5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. (a) In addition to a bailiff and an official court reporter for the court appointed under IC 33-29-1-5, the judge of the Blackford superior court may appoint a referee, commissioner, or other personnel as the judge considers necessary to facilitate and transact the business of the court. The salary of a referee, commissioner, or other person:

(1) shall be fixed in the same manner as the salaries of the personnel for the Blackford circuit court; and

(2) shall be paid monthly ~~out of by the state from the treasury of Blackford County as provided by law.~~ **state general fund.**

(b) Personnel appointed under this section and IC 33-29-1-5 continue in office until removed by the judge of the court.

SECTION 135. IC 33-33-15-4, AS AMENDED BY P.L.237-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. In addition to a bailiff and an official court reporter for the court appointed under IC 33-29-1-5, each judge may appoint a referee, a commissioner, or other personnel as the judge considers necessary to facilitate and transact the business of the court. The salary of a referee, a commissioner, or other person:

(1) shall be fixed in the same manner as the salaries of the personnel for the Dearborn circuit court; and

(2) shall be paid monthly ~~out of by the state from the treasury of Dearborn County as provided by law.~~ **state general fund.**

Personnel appointed under this section or IC 33-29-1-5 continue in office until removed by the judge of the court for which the personnel were appointed.

SECTION 136. IC 33-33-27.2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. The judge of the Grant superior court No. 2 shall appoint a bailiff and an official court reporter for the court, to serve at the pleasure of the court. The judge shall fix their compensation as provided by law concerning bailiffs and official court reporters. The compensation shall be paid monthly ~~out of by the state from the treasury of Grant County.~~ **state general fund.**

SECTION 137. IC 33-33-27.3-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 6. (a) The judge of the court shall appoint a bailiff and an official court reporter for the court.

(b) The salaries of the bailiff and the official court reporter shall be:

(1) fixed in the same manner as the salaries of the bailiff and official court reporter for the Grant circuit court, Grant superior court, and Grant superior court No. 2; and

(2) paid monthly ~~out of by the state from the treasury of Grant~~

~~County as provided by law.~~ **state general fund.**

SECTION 138. IC 33-33-29-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. In addition to the personnel that may be appointed under IC 33-29-1-5, the judge of each Hamilton superior court may appoint other personnel necessary to facilitate and transact the business of the court. The other necessary personnel shall serve at the pleasure of the court, and the judge shall fix their compensation within the limits and in the manner provided by law concerning other personnel of the court. The compensation shall be paid monthly ~~out of by the state from the treasury of Hamilton County in the manner provided by law.~~ **state general fund.**

SECTION 139. IC 33-33-35-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. (a) In addition to the personnel appointed under IC 33-29-1-5, the Huntington superior court may appoint a referee and other personnel as the court determines necessary to facilitate and transact the business of the court.

(b) Salaries of the personnel described in this section shall be fixed in the same manner as the salaries of the bailiff and official court reporter for the Huntington circuit court. Their salaries shall be paid ~~out of by the state from the treasury of Huntington County as provided by law.~~ **state general fund.**

SECTION 140. IC 33-33-45-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 12. (a) The senior judge of each division may appoint the number of bailiffs, court reporters, probation officers, and other personnel as the senior judge believes is necessary to judicially and efficiently facilitate and transact the business of the division. All appointments shall be made without regard to the political affiliation of the appointees. The salaries of the court personnel shall be fixed and paid as provided by law. The officers and persons appointed shall:

- (1) perform the duties prescribed by the senior judge of each respective division; and
- (2) serve at the pleasure of the senior judge.

(b) The court shall appoint an administrative officer who has the duties the court determines are necessary to ensure the efficient operation of the court. The court may appoint the number of deputy administrative officers as the court considers necessary to facilitate and transact the business of the court. Any appointment of an administrative officer or deputy administrative officer shall be made without regard to the political affiliation of the appointees. The salaries of the administrative officer and any deputy administrative officer shall be fixed by the court, to be paid ~~out of by the state from the county treasury by the county auditor, upon the order of the court, and entered of record.~~ **state general fund.** Any administrative officer or deputy administrative officer appointed by the court shall:

- (1) operate under the jurisdiction of the chief judge; and

1 (2) serve at the pleasure of the chief judge.

2 (c) The court may appoint part-time juvenile referees and
3 magistrates as provided by IC 31-31-3.

4 (d) The court may appoint the number of probate commissioners
5 provided for by IC 29-2-2. The probate commissioners shall be vested
6 with the powers and duties provided by IC 29.

7 SECTION 141. IC 33-33-48-7 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 7. In addition to
9 the personnel appointed under IC 33-29-1-5, the Madison superior
10 court may appoint probation officers and other personnel, including an
11 administrative officer, necessary to transact the business of the court.
12 The salaries of the personnel shall be fixed and paid as provided by
13 law. However, if the salaries of any of the personnel are not provided
14 by law, the amount and time of payment of the salaries shall be fixed
15 by the court, to be paid ~~out of by the state from the county treasury by~~
16 ~~the county auditor upon the order of the court, and be entered of record:~~
17 **state general fund.** The officers and persons appointed shall perform
18 duties as prescribed by the court. Personnel appointed by the court
19 serve at the pleasure of the court.

20 SECTION 142. IC 33-33-59-4 IS AMENDED TO READ AS
21 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. In addition to
22 the personnel that may be appointed under IC 33-29-1-5, the judge of
23 the Orange superior may appoint a referee, commissioner, or other
24 personnel as the judge considers necessary to facilitate and transact the
25 business of the court. Their salaries must be fixed in the same manner
26 as the salaries of the personnel for the Orange circuit court. Their
27 salaries must be paid monthly ~~out of by the state from the treasury of~~
28 ~~Orange County as provided by law:~~ **state general fund.** Personnel
29 appointed under this section continue in office until removed by the
30 judge of the court.

31 SECTION 143. IC 33-33-79.2-4 IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. (a) The clerk
33 of the Tippecanoe circuit court shall be the clerk of superior court No.
34 2 of Tippecanoe County, and the sheriff of Tippecanoe County shall be
35 the sheriff of superior court No. 2 of Tippecanoe County. The clerk and
36 sheriff shall attend court and discharge all the duties pertaining to their
37 respective office as they are required to do by law with reference to the
38 Tippecanoe circuit court.

39 (b) The judge of superior court No. 2 of Tippecanoe County shall
40 appoint a bailiff and an official reporter for the court to serve during the
41 court. The judge shall fix their compensation within the limits and in
42 the manner provided by law concerning bailiffs and official court
43 reporters. The compensation shall be paid monthly ~~out of by the state~~
44 ~~from the treasury of Tippecanoe County, in the manner provided by~~
45 ~~law:~~ **state general fund.**

46 SECTION 144. IC 33-33-79.4-6 IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 6. The judges of
 2 Tippecanoe superior court No. 4, No. 5, and No. 6:

3 (1) shall each appoint a bailiff and an official court reporter for
 4 the court; and

5 (2) may each appoint other court personnel necessary to facilitate
 6 and transact the business of the court.

7 A person appointed under this section serves at the pleasure of the
 8 judge appointing the person. Their salaries shall be fixed in the same
 9 manner as the salaries of the bailiff, official court reporter, and other
 10 personnel for the Tippecanoe circuit court. Their salaries shall be paid
 11 monthly ~~out of by the state from the treasury of Tippecanoe County~~
 12 **as provided by law: state general fund.**

13 SECTION 145. IC 33-33-84-9 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 9. (a) The
 15 superior court may appoint commissioners, probate commissioners,
 16 referees, juvenile referees, bailiffs, court reporters, probation officers,
 17 and other personnel, including an administrative officer, as the court
 18 believes are necessary to facilitate and transact the business of the
 19 court. The salaries of the personnel shall be fixed and paid as provided
 20 by law. However, if the salaries of any of the personnel are not
 21 provided by law, the amount and time of payment of the salaries shall
 22 be fixed by the court, to be paid ~~out of by the state from the county~~
 23 **treasury by the county auditor upon the order of the court, and be**
 24 **entered on record state general fund.** The officers and persons
 25 appointed shall perform the duties as are prescribed by the court. Any
 26 such commissioners, probate commissioners, referees, juvenile
 27 referees, probation officers, and other personnel appointed by the court
 28 serve at the pleasure of the court.

29 (b) Any probate commissioner appointed by the court may be vested
 30 by the court with all suitable powers for the handling and management
 31 of the probate and guardianship matters of the court, including the
 32 fixing of all bonds, the auditing of accounts of estates and
 33 guardianships and trusts, acceptance of reports, accounts, and
 34 settlements filed in the court, the appointment of personal
 35 representatives, guardians, and trustees, the probating of wills, the
 36 taking and hearing of evidence on or concerning such matters, or any
 37 other probate, guardianship, or trust matters in litigation before the
 38 court, the enforcement of court rules and regulations, and making of
 39 reports to the court, including the taking and hearing of evidence
 40 together with the commissioner's findings and conclusions, under the
 41 final jurisdiction and decision of the judges of the court.

42 (c) Any juvenile referee appointed by the court may be vested by the
 43 court with all suitable powers for the handling and management of the
 44 juvenile matters of the court, including the fixing of bonds, the taking
 45 and hearing of evidence on or concerning any juvenile matters in
 46 litigation before the court, the enforcement of court rules and

1 regulations, the making of reports to the court concerning the referee's
2 doings under final jurisdiction and decision of the judges of the court.

3 (d) A probate commissioner and juvenile referee may summon
4 witnesses to testify before the commissioner and juvenile referee,
5 administer oaths, and take acknowledgments in connection with and in
6 furtherance of their duties and powers.

7 SECTION 146. IC 33-33-89-5 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. The judge of
9 the superior court shall appoint a bailiff and an official court reporter
10 for the court, to serve during the pleasure of the court. The judge shall
11 fix their per diem or salary within the limits and in the manner as
12 provided by law concerning bailiffs and official court reporters. The
13 bailiff and court reporter shall be paid monthly ~~out of~~ **by the state**
14 ~~from the treasury of Wayne County in the manner provided by law.~~
15 **state general fund.**

16 SECTION 147. IC 33-33-89.2-4 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. The judge of
18 the Wayne superior court No. 2 shall appoint a bailiff and an official
19 court reporter for the court, to serve at the pleasure of the court. The
20 judge shall fix their compensation within the limits and in the manner
21 as may be provided by law concerning bailiffs and official court
22 reporters. The compensation shall be paid monthly ~~out of~~ **by the state**
23 ~~from the treasury of Wayne County in the manner provided by law.~~
24 **state general fund.**

25 SECTION 148. IC 33-33-92-4 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. (a) If the
27 Whitley county executive establishes the position of small claims
28 referee to serve the Whitley superior court, the judge of the Whitley
29 superior court may appoint a part-time small claims referee under
30 IC 33-29-3 to assist the court in the exercise of its small claims
31 jurisdiction.

32 (b) The small claims referee is entitled to reasonable compensation
33 not exceeding twenty thousand dollars (\$20,000) as recommended by
34 the judge of the Whitley superior court to be paid by the county after
35 the compensation is approved by the county fiscal body. The state shall
36 pay ~~fifty percent (50%) of~~ the salary set under this subsection. ~~and the~~
37 ~~county shall pay the remainder of the salary.~~

38 (c) The Whitley County executive shall provide and maintain a
39 suitable courtroom and facilities for the use of the small claims referee,
40 including furniture and equipment, as necessary.

41 (d) The Whitley superior court shall employ administrative staff
42 necessary to support the functions of the small claims referee.

43 (e) The county fiscal body shall appropriate sufficient funds for the
44 provision of staff and facilities required under this section.

45 SECTION 149. IC 33-37-5-19 IS AMENDED TO READ AS
46 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 19. (a) The clerk

1 shall collect a jury fee of two dollars (\$2) in each action in which a
 2 defendant is found to have committed a crime, violated a statute
 3 defining an infraction, or violated an ordinance of a municipal
 4 corporation.

5 (b) The fee collected under this section shall be deposited into the
 6 ~~county user fee state general fund. established by IC 33-37-8-5.~~

7 SECTION 150. IC 33-37-7-2, AS AMENDED BY P.L.174-2006,
 8 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JANUARY 1, 2008]: Sec. 2. (a) The clerk of a circuit court shall
 10 distribute semiannually to the auditor of state as the state share for
 11 deposit in the state general fund ~~seventy ninety-seven percent (70%)~~
 12 **(97%)** of the amount of fees collected under the following:

- 13 (1) IC 33-37-4-1(a) (criminal costs fees).
- 14 (2) IC 33-37-4-2(a) (infraction or ordinance violation costs fees).
- 15 (3) IC 33-37-4-3(a) (juvenile costs fees).
- 16 (4) IC 33-37-4-4(a) (civil costs fees).
- 17 (5) IC 33-37-4-6(a)(1)(A) (small claims costs fees).
- 18 (6) IC 33-37-4-7(a) (probate costs fees).
- 19 ~~(7) IC 33-37-5-17 (deferred prosecution fees):~~

20 (b) The clerk of a circuit court shall distribute semiannually to the
 21 auditor of state for deposit in the state user fee fund established in
 22 IC 33-37-9-2 the following:

- 23 (1) Twenty-five percent (25%) of the drug abuse, prosecution,
 24 interdiction, and correction fees collected under
 25 IC 33-37-4-1(b)(5).
- 26 (2) Twenty-five percent (25%) of the alcohol and drug
 27 countermeasures fees collected under IC 33-37-4-1(b)(6),
 28 IC 33-37-4-2(b)(4), and IC 33-37-4-3(b)(5).
- 29 (3) Fifty percent (50%) of the child abuse prevention fees
 30 collected under IC 33-37-4-1(b)(7).
- 31 (4) One hundred percent (100%) of the domestic violence
 32 prevention and treatment fees collected under IC 33-37-4-1(b)(8).
- 33 (5) One hundred percent (100%) of the highway work zone fees
 34 collected under IC 33-37-4-1(b)(9) and IC 33-37-4-2(b)(5).
- 35 (6) One hundred percent (100%) of the safe schools fee collected
 36 under IC 33-37-5-18.
- 37 (7) One hundred percent (100%) of the automated record keeping
 38 fee (IC 33-37-5-21).

39 (c) The clerk of a circuit court shall distribute monthly to the county
 40 auditor the following:

- 41 (1) Seventy-five percent (75%) of the drug abuse, prosecution,
 42 interdiction, and correction fees collected under
 43 IC 33-37-4-1(b)(5).
- 44 (2) Seventy-five percent (75%) of the alcohol and drug
 45 countermeasures fees collected under IC 33-37-4-1(b)(6),
 46 IC 33-37-4-2(b)(4), and IC 33-37-4-3(b)(5).

1 The county auditor shall deposit fees distributed by a clerk under this
 2 subsection into the county drug free community fund established under
 3 IC 5-2-11.

4 (d) The clerk of a circuit court shall distribute monthly to the county
 5 auditor fifty percent (50%) of the child abuse prevention fees collected
 6 under IC 33-37-4-1(b)(7). The county auditor shall deposit fees
 7 distributed by a clerk under this subsection into the county child
 8 advocacy fund established under IC 12-17-17.

9 (e) The clerk of a circuit court shall distribute monthly to the county
 10 auditor one hundred percent (100%) of the late payment fees collected
 11 under IC 33-37-5-22. The county auditor shall deposit fees distributed
 12 by a clerk under this subsection as follows:

13 (1) If directed to do so by an ordinance adopted by the county
 14 fiscal body, the county auditor shall deposit forty percent (40%)
 15 of the fees in the clerk's record perpetuation fund established
 16 under IC 33-37-5-2 and sixty percent (60%) of the fees in the
 17 county general fund.

18 (2) If the county fiscal body has not adopted an ordinance
 19 described in subdivision (1), the county auditor shall deposit all
 20 the fees in the county general fund.

21 (f) The clerk of the circuit court shall distribute semiannually to the
 22 auditor of state for deposit in the sexual assault victims assistance
 23 account established by IC 4-23-25-11(i) one hundred percent (100%)
 24 of the sexual assault victims assistance fees collected under
 25 IC 33-37-5-23.

26 (g) The clerk of a circuit court shall distribute monthly to the county
 27 auditor the following:

28 (1) One hundred percent (100%) of the support and maintenance
 29 fees for cases designated as non-Title IV-D child support cases in
 30 the Indiana support enforcement tracking system (ISETS)
 31 collected under IC 33-37-5-6.

32 (2) The percentage share of the support and maintenance fees for
 33 cases designated as IV-D child support cases in ISETS collected
 34 under IC 33-37-5-6 that is reimbursable to the county at the
 35 federal financial participation rate.

36 The county clerk shall distribute monthly to the office of the secretary
 37 of family and social services the percentage share of the support and
 38 maintenance fees for cases designated as Title IV-D child support cases
 39 in ISETS collected under IC 33-37-5-6 that is not reimbursable to the
 40 county at the applicable federal financial participation rate.

41 (h) The clerk of a circuit court shall distribute monthly to the county
 42 auditor the following:

43 (1) One hundred percent (100%) of the small claims service fee
 44 under IC 33-37-4-6(a)(1)(B) or IC 33-37-4-6(a)(2) for deposit in
 45 the county general fund.

46 (2) One hundred percent (100%) of the small claims garnishee

service fee under IC 33-37-4-6(a)(1)(C) or IC 33-37-4-6(a)(3) for deposit in the county general fund.

(i) The clerk of a circuit court shall semiannually distribute to the auditor of state for deposit in the state general fund one hundred percent (100%) of the following:

(1) The public defense administration fee collected under IC 33-37-5-21.2.

(2) The judicial salaries fees collected under IC 33-37-5-26.

(3) The DNA sample processing fees collected under IC 33-37-5-26.2.

(4) The court administration fees collected under IC 33-37-5-27.

(j) The clerk of a circuit court shall semiannually distribute to the auditor of state for deposit in the judicial branch insurance adjustment account established by IC 33-38-5-8.2 one hundred percent (100%) of the judicial insurance adjustment fee collected under IC 33-37-5-25.

(k) The proceeds of the service fee collected under IC 33-37-5-28(b)(1) or IC 33-37-5-28(b)(2) shall be distributed as follows:

(1) The clerk shall distribute one hundred percent (100%) of the service fees collected in a circuit, superior, county, or probate court to the county auditor for deposit in the county general fund.

(2) The clerk shall distribute one hundred percent (100%) of the service fees collected in a city or town court to the city or town fiscal officer for deposit in the city or town general fund.

(l) The proceeds of the garnishee service fee collected under IC 33-37-5-28(b)(3) or IC 33-37-5-28(b)(4) shall be distributed as follows:

(1) The clerk shall distribute one hundred percent (100%) of the garnishee service fees collected in a circuit, superior, county, or probate court to the county auditor for deposit in the county general fund.

(2) The clerk shall distribute one hundred percent (100%) of the garnishee service fees collected in a city or town court to the city or town fiscal officer for deposit in the city or town general fund.

SECTION 151. IC 33-37-7-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. ~~(a)~~ The clerk of a circuit court shall forward the county share of fees collected to the county auditor in accordance with IC 33-37-7-12(a). The auditor shall retain as the county share twenty-seven percent (27%) of the amount of fees collected under the following:

~~(1) IC 33-37-4-1(a) (criminal costs fees):~~

~~(2) IC 33-37-4-2(a) (infraction or ordinance violation costs fees):~~

~~(3) IC 33-37-4-3(a) (juvenile costs fees):~~

~~(4) IC 33-37-4-4(a) (civil costs fees):~~

~~(5) IC 33-37-4-6(a)(1) (small claims costs fees):~~

~~(6) IC 33-37-4-7(a) (probate costs fees):~~

1 ~~(7)~~ IC 33-37-5-17 (deferred prosecution fees).

2 ~~(b) This section applies after June 30, 2005.~~

3 SECTION 151. IC 33-38-2-1 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. The judge of
5 the circuit, superior, criminal, probate, and juvenile courts in each
6 county having a population of at least thirty-five thousand (35,000)
7 shall appoint a bailiff and may appoint a riding bailiff for the judge's
8 court, whose per diem shall be fixed by the court to be paid **by the**
9 **state** from the ~~county treasury~~; **state general fund.**

10 SECTION 153. IC 33-38-4-2 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. The salary for
12 the chief clerk:

13 (1) shall be fixed by the judge of the court;

14 (2) may not be more than four thousand eight hundred dollars
15 (\$4,800) per year; and

16 (3) shall be paid in monthly installments **by the state** from the
17 ~~county treasury of the county in which the court is located~~; **state**
18 **general fund.**

19 SECTION 154. IC 33-38-9-8 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 8. (a) The Indiana
21 judicial center shall maintain a roster of in-state facilities that have the
22 expertise to provide child services (as defined in ~~IC 12-19-7-1~~)
23 **IC 31-9-2-17.4**) in a residential setting to:

24 (1) children in need of services (as described in IC 31-34-1); or

25 (2) delinquent children (as described in IC 31-37-1 and
26 IC 31-37-2).

27 (b) The roster under subsection (a) must include the information
28 necessary to allow a court having juvenile jurisdiction to select an
29 in-state placement of a child instead of placing the child in an
30 out-of-state facility under IC 31-34 or IC 31-37. The roster must
31 include at least the following information:

32 (1) Name, address, and telephone number of each facility.

33 (2) Owner and contact person for each facility.

34 (3) Description of the child services that each facility provides
35 and any limitations that the facility imposes on acceptance of a
36 child placed by a juvenile court.

37 (4) Number of children that each facility can serve on a
38 residential basis.

39 (5) Number of residential openings at each facility.

40 (c) The Indiana judicial center shall revise the information in the
41 roster at least monthly.

42 (d) The Indiana judicial center shall make the information in the
43 roster readily available to courts with juvenile jurisdiction.

44 SECTION 155. IC 33-38-11-9 IS AMENDED TO READ AS
45 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 9. A temporary
46 judge is entitled to twenty-five dollars (\$25) paid by the ~~county~~; **state**

1 **from the state general fund** for each day of service as a temporary
 2 judge.

3 SECTION 156. IC 33-39-1-6, AS AMENDED BY P.L.222-2005,
 4 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JANUARY 1, 2008]: Sec. 6. (a) Special prosecutors may be appointed
 6 under this section or in accordance with IC 4-2-7-7.

7 (b) A circuit or superior court judge:

8 (1) shall appoint a special prosecutor if:

9 (A) any person other than the prosecuting attorney or the
 10 prosecuting attorney's deputy files a verified petition
 11 requesting the appointment of a special prosecutor; and

12 (B) the prosecuting attorney agrees that a special prosecutor is
 13 needed;

14 (2) may appoint a special prosecutor if:

15 (A) a person files a verified petition requesting the
 16 appointment of a special prosecutor; and

17 (B) the court, after:

18 (i) notice is given to the prosecuting attorney; and

19 (ii) an evidentiary hearing is conducted at which the
 20 prosecuting attorney is given an opportunity to be heard;
 21 finds by clear and convincing evidence that the appointment
 22 is necessary to avoid an actual conflict of interest or there is
 23 probable cause to believe that the prosecutor has committed a
 24 crime;

25 (3) may appoint a special prosecutor if:

26 (A) the prosecuting attorney files a petition requesting the
 27 court to appoint a special prosecutor; and

28 (B) the court finds that the appointment is necessary to avoid
 29 the appearance of impropriety; and

30 (4) may appoint a special prosecutor if:

31 (A) an elected public official, who is a defendant in a criminal
 32 proceeding, files a verified petition requesting a special
 33 prosecutor within ten (10) days after the date of the initial
 34 hearing; and

35 (B) the court finds that the appointment of a special prosecutor
 36 is in the best interests of justice.

37 (c) Each person appointed to serve as a special prosecutor:

38 (1) must consent to the appointment; and

39 (2) must be:

40 (A) the prosecuting attorney or a deputy prosecuting attorney
 41 in a county other than the county in which the person is to
 42 serve as special prosecutor; or

43 (B) except as provided in subsection (d), a senior prosecuting
 44 attorney.

45 (d) A senior prosecuting attorney may be appointed in the county in
 46 which the senior prosecuting attorney previously served if the court

finds that an appointment under this subsection would not create the appearance of impropriety.

(e) A person appointed to serve as a special prosecutor has the same powers as the prosecuting attorney of the county. However, the appointing judge shall limit scope of the special prosecutor's duties to include only the investigation or prosecution of a particular case or particular grand jury investigation.

(f) The court shall establish the length of the special prosecutor's term. If the target of an investigation by the special prosecutor is a public servant (as defined in IC 35-41-1-24), the court shall order the special prosecutor to file a report of the investigation with the court at the conclusion of the investigation. The report is a public record.

(g) If the special prosecutor is not regularly employed as a full-time prosecuting attorney or full-time deputy prosecuting attorney, the compensation for the special prosecutor's services:

(1) shall be paid to the special prosecutor **by the state** from the ~~unappropriated funds of the appointing county;~~ **state general fund;** and

(2) may not exceed:

(A) a per diem equal to the regular salary of a full-time prosecuting attorney of the appointing circuit; and

(B) travel expenses and reasonable accommodation expenses actually incurred.

(h) If the special prosecutor is regularly employed as a full-time prosecuting attorney or deputy prosecuting attorney, the compensation for the special prosecutor's services:

(1) shall be paid ~~out of by the state from the appointing county's unappropriated funds to the treasurer of the county in which the special prosecutor regularly serves;~~ **state general fund;** and

(2) must include a per diem equal to the regular salary of a full-time prosecuting attorney of the appointing circuit, travel expenses, and reasonable accommodation expenses actually incurred.

(i) The combination of:

(1) the compensation paid to a senior prosecuting attorney under this chapter; and

(2) retirement benefits that the person appointed as a senior prosecuting attorney is receiving or entitled to receive;

may not exceed the minimum compensation to which a full-time prosecuting attorney is entitled under IC 33-39-6-5.

(j) A senior prosecuting attorney appointed under this chapter may not be compensated as senior prosecuting attorney for more than one hundred (100) calendar days in total during a calendar year.

SECTION 157. IC 33-39-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. Except as provided in section 2 of this chapter and upon the order of a judge

trying a criminal case, ~~the county auditor shall pay to a prosecuting attorney from funds in the county treasury not otherwise appropriated and as a part of the costs of the trial; shall be paid by the state from~~ **the state general fund** an amount equal to the expenses necessarily incurred by a prosecuting attorney in traveling to attend the taking of any deposition in connection with the criminal action.

SECTION 158. IC 33-39-6-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 8. (a) The compensation provided in this chapter for prosecuting attorneys and their deputies is in full for all services required by law. Prosecuting attorneys shall appear in all courts and in all cases where the law provides that they shall appear.

(b) Prosecuting attorneys, deputy prosecuting attorneys, and investigators are entitled to a sum for mileage for the miles necessarily traveled in the discharge of their duties. The sum for mileage provided by this subsection must:

(1) equal the sum per mile paid to state officers and employees, with the rate changing each time the state government changes its rate per mile;

(2) be allowed by the board of county commissioners on a claim duly filed monthly by the prosecutor, deputy prosecuting attorneys, and investigators itemizing the specific mileage traveled; and

(3) be paid by the ~~county in which the duty arose that necessitated the travel:~~ **state from the state general fund.**

(c) This chapter does not prohibit the payment of other expenses as may be allowed by law.

(d) If a board of county commissioners does not furnish the prosecuting attorney with office space, the county council shall appropriate a reasonable amount of money per year to the prosecuting attorney for office space.

SECTION 159. IC 33-40-7-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 10. (a) This chapter does not prevent a court from appointing counsel other than counsel provided for under the board's plan for providing defense services to an indigent person when the interests of justice require. A court may also appoint counsel to assist counsel provided for under the board's plan as co-counsel when the interests of justice require. Expenditures by a county for defense services not provided under the county public defender board's plan are not subject to reimbursement from the public defense fund under IC 33-40-6.

(b) A judge of a court having criminal jurisdiction may make a written request to the state public defender to provide a qualified attorney for the defense of a person charged in the court with a criminal offense and eligible for representation at public expense if the judge determines:

(1) that an attorney provided under the county public defender board's plan is not qualified or available to represent the person; or

(2) that in the interests of justice an attorney other than the attorney provided for by the county defender board's plan should be appointed.

The judge shall attach to the request a copy of the information or indictment. Expenditures for representation under this subsection shall be paid by the county according to a fee schedule approved by the commission. ~~These expenditures are eligible for reimbursement from the public defense fund.~~ **state from the state general fund.**

SECTION 160. IC 33-40-8-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. (a) Subject to subsection (b), if an indigent person:

(1) desires to appeal to the supreme court or the court of appeals the decision of a trial court in a criminal case; and

(2) does not have sufficient means to procure the typed or printed manuscript or transcript of the evidence taken by the court reporter;

the court shall direct the court reporter to transcribe the notes of evidence into a typed or printed manuscript or transcript as soon as practicable and deliver the manuscript or transcript to the indigent person.

(b) Notwithstanding subsection (a):

(1) the court must be satisfied that the indigent person lacks sufficient means to pay the court reporter for making the manuscript or transcript of evidence; and

(2) the court reporter may charge the compensation allowed by law in cases for making and furnishing a manuscript or transcript.

The reporter shall be paid by the ~~court from the proper county treasury.~~ **state from the state general fund.**

SECTION 161. IC 33-41-2-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 11. The annual salary of each court reporter shall be fixed as provided in this chapter according to the county or counties in which the court reporter holds office. A county or counties may add additional increments to the minimum annual salary according to the usual budget procedures. The salaries shall be paid ~~in equal monthly installments.~~ **by the state from the state general fund.**

SECTION 162. IC 35-33-7-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 6. (a) Prior to the completion of the initial hearing, the judicial officer shall determine whether a person who requests assigned counsel is indigent. If the person is found to be indigent, the judicial officer shall assign counsel to the person.

(b) If jurisdiction over an indigent defendant is transferred to

another court, the receiving court shall assign counsel immediately upon acquiring jurisdiction over the defendant.

(c) If the court finds that the person is able to pay part of the cost of representation by the assigned counsel, the court shall order the person to pay the following:

(1) For a felony action, a fee of one hundred dollars (\$100).

(2) For a misdemeanor action, a fee of fifty dollars (\$50).

The clerk of the court shall deposit fees collected under this subsection in the ~~county's supplemental public defender services fund established under IC 33-40-3-1.~~ **state general fund.**

(d) The court may review the finding of indigency at any time during the proceedings.

SECTION 163. IC 35-38-2-1, AS AMENDED BY P.L.1-2006, SECTION 529, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. (a) Whenever it places a person on probation, the court shall:

(1) specify in the record the conditions of the probation; and

(2) advise the person that if the person violates a condition of probation during the probationary period, a petition to revoke probation may be filed before the earlier of the following:

(A) One (1) year after the termination of probation.

(B) Forty-five (45) days after the state receives notice of the violation.

(b) In addition, if the person was convicted of a felony and is placed on probation, the court shall order the person to pay to the probation department the user's fee prescribed under subsection (d). If the person was convicted of a misdemeanor, the court may order the person to pay the user's fee prescribed under subsection (e). The court may:

(1) modify the conditions (except a fee payment may only be modified as provided in section 1.7(b) of this chapter); or

(2) terminate the probation;

at any time. If the person commits an additional crime, the court may revoke the probation.

(c) If a clerk of a court collects a probation user's fee, the clerk:

(1) may keep not more than three percent (3%) of the fee to defray the administrative costs of collecting the fee and shall deposit any fee kept under this subsection in the clerk's record perpetuation fund established under IC 33-37-5-2; and

(2) if requested to do so by the county auditor, city fiscal officer, or town fiscal officer under clause (A), (B), or (C), **shall** transfer not more than three percent (3%) of the fee to the:

(A) county auditor, who shall deposit the money transferred under this subdivision into the county general fund;

(B) city general fund when requested by the city fiscal officer; or

(C) town general fund when requested by the town fiscal

1 officer.

2 (d) In addition to any other conditions of probation, the court shall
3 order each person convicted of a felony to pay:

4 (1) not less than twenty-five dollars (\$25) nor more than one
5 hundred dollars (\$100) as an initial probation user's fee;

6 (2) a monthly probation user's fee of not less than fifteen dollars
7 (\$15) nor more than thirty dollars (\$30) for each month that the
8 person remains on probation;

9 (3) the costs of the laboratory test or series of tests to detect and
10 confirm the presence of the human immunodeficiency virus (HIV)
11 antigen or antibodies to the human immunodeficiency virus (HIV)
12 if such tests are required by the court under section 2.3 of this
13 chapter;

14 (4) an alcohol abuse deterrent fee and a medical fee set by the
15 court under IC 9-30-9-8, if the court has referred the defendant to
16 an alcohol abuse deterrent program; and

17 (5) an administrative fee of one hundred dollars (\$100);

18 to either the probation department or the clerk.

19 (e) In addition to any other conditions of probation, the court may
20 order each person convicted of a misdemeanor to pay:

21 (1) not more than a fifty dollar (\$50) initial probation user's fee;

22 (2) a monthly probation user's fee of not less than ten dollars
23 (\$10) nor more than twenty dollars (\$20) for each month that the
24 person remains on probation;

25 (3) the costs of the laboratory test or series of tests to detect and
26 confirm the presence of the human immunodeficiency virus (HIV)
27 antigen or antibodies to the human immunodeficiency virus (HIV)
28 if such tests are required by the court under section 2.3 of this
29 chapter; and

30 (4) an administrative fee of fifty dollars (\$50);

31 to either the probation department or the clerk.

32 (f) The probation department or clerk shall collect the
33 administrative fees under subsections (d)(5) and (e)(4) before
34 collecting any other fee under subsection (d) or (e). All money
35 collected by the probation department or the clerk under this section
36 shall be transferred to the ~~county~~ **treasurer of state**, who shall deposit
37 the money into the ~~county supplemental adult probation services state~~
38 **general** fund. ~~The fiscal body of the county shall appropriate money~~
39 ~~from the county supplemental adult probation services fund:~~

40 (1) to the county, superior, circuit, or municipal court of the
41 county that provides probation services to adults to supplement
42 adult probation services; and

43 (2) to supplement the salaries of probation officers in accordance
44 with the schedule adopted by the county fiscal body under
45 ~~IC 36-2-16.5~~.

46 (g) The probation department or clerk shall collect the

administrative fee under subsection (e)(4) before collecting any other fee under subsection (e). All money collected by the probation department or the clerk of a city or town court under this section shall be transferred to the fiscal officer of the city or town for deposit into the local supplemental adult probation services fund. The fiscal body of the city or town shall appropriate money from the local supplemental adult probation services fund to the city or town court of the city or town for the court's use in providing probation services to adults or for the court's use for other purposes as may be appropriated by the fiscal body. Money may be appropriated under this subsection only to those city or town courts that have an adult probation services program. If a city or town court does not have such a program, the money collected by the probation department must be transferred and appropriated as provided under subsection (f): **state general fund.**

(h) Except as provided in subsection (j), the county or local supplemental adult probation services fund may be used only to supplement probation services and to supplement salaries for probation officers. A supplemental probation services fund may not be used to replace other funding of probation services. Any money remaining in the fund at the end of the year does not revert to any other fund but continues in the county or local supplemental adult probation services fund.

(i) A person placed on probation for more than one (1) crime:

(1) may be required to pay more than one (1) initial probation user's fee; and

(2) may not be required to pay more than one (1) monthly probation user's fee per month;

to the probation department or the clerk.

(j) This subsection applies to a city or town located in a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000). Any money remaining in the local supplemental adult probation services fund at the end of the local fiscal year may be appropriated by the city or town fiscal body to the city or town court for use by the court for purposes determined by the fiscal body.

(k) In addition to other methods of payment allowed by law, a probation department may accept payment of fees required under this section and section 1.5 of this chapter by credit card (as defined in IC 14-11-1-7). The liability for payment is not discharged until the probation department receives payment or credit from the institution responsible for making the payment or credit.

(l) The probation department may contract with a bank or credit card vendor for acceptance of bank or credit cards. However, if there is a vendor transaction charge or discount fee, whether billed to the probation department or charged directly to the probation department's account, the probation department may collect a credit card service fee

1 from the person using the bank or credit card. The fee collected under
 2 this subsection is a permitted additional charge to the money the
 3 probation department is required to collect under subsection (d) or (e).

4 (m) The probation department shall forward the credit card service
 5 fees collected under subsection (l) to the ~~county treasurer or city or~~
 6 ~~town fiscal officer~~ **treasurer of state** in accordance with subsection (f)
 7 or (g). These funds may be used without appropriation to pay the
 8 transaction charge or discount fee charged by the bank or credit card
 9 vendor."

10 Page 92, between lines 14 and 15, begin a new paragraph and insert:

11 "SECTION 166. IC 36-3-7-5, AS AMENDED BY P.L.131-2005,
 12 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JANUARY 1, 2008]: Sec. 5. (a) Liens for taxes levied by the
 14 consolidated city are perfected when evidenced on the tax duplicate in
 15 the office of the treasurer of the county.

16 (b) Liens created when the city enters upon property to make
 17 improvements to bring it into compliance with a city ordinance and
 18 liens created upon failure to pay charges assessed by the city for
 19 services shall be certified to the auditor, after the adoption of a
 20 resolution confirming the incurred expense by the appropriate city
 21 department, board, or other agency. In addition, the resolution must
 22 state the name of the owner as it appears on the township assessor's
 23 record and a description of the property.

24 (c) The amount of a lien shall be placed on the tax duplicate by the
 25 auditor in the nature of a delinquent tax subject to enforcement and
 26 collection as otherwise provided under IC 6-1.1-22, IC 6-1.1-24, and
 27 IC 6-1.1-25. However, the amount of the lien is not considered a tax
 28 within the meaning of ~~IC 6-1.1-21-2(b)~~ **IC 6-10-2** and shall not be
 29 included as a part of either a total county tax levy under
 30 ~~IC 6-1.1-21-2(g)~~ **IC 6-10-2** or the tax liability of a taxpayer under
 31 ~~IC 6-1.1-21-5~~ **IC 6-10-2** for purposes of the tax credit computations
 32 under ~~IC 6-1.1-21-4~~ and ~~IC 6-1.1-21-5~~ **IC 6-10-3**."

33 Page 98, between lines 26 and 27, begin a new paragraph insert:

34 "SECTION 171. IC 36-7-14-39, AS AMENDED BY P.L.154-2006,
 35 SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JANUARY 1, 2008]: Sec. 39. (a) As used in this section:

37 "Allocation area" means that part of a redevelopment project area
 38 to which an allocation provision of a declaratory resolution adopted
 39 under section 15 of this chapter refers for purposes of distribution and
 40 allocation of property taxes.

41 "Base assessed value" means the following:

42 (1) If an allocation provision is adopted after June 30, 1995, in a
 43 declaratory resolution or an amendment to a declaratory
 44 resolution establishing an economic development area:

45 (A) the net assessed value of all the property as finally
 46 determined for the assessment date immediately preceding the

- 1 effective date of the allocation provision of the declaratory
 2 resolution, as adjusted under subsection (h); plus
 3 (B) to the extent that it is not included in clause (A), the net
 4 assessed value of property that is assessed as residential
 5 property under the rules of the department of local government
 6 finance, as finally determined for any assessment date after the
 7 effective date of the allocation provision.
- 8 (2) If an allocation provision is adopted after June 30, 1997, in a
 9 declaratory resolution or an amendment to a declaratory
 10 resolution establishing a redevelopment project area:
 11 (A) the net assessed value of all the property as finally
 12 determined for the assessment date immediately preceding the
 13 effective date of the allocation provision of the declaratory
 14 resolution, as adjusted under subsection (h); plus
 15 (B) to the extent that it is not included in clause (A), the net
 16 assessed value of property that is assessed as residential
 17 property under the rules of the department of local government
 18 finance, as finally determined for any assessment date after the
 19 effective date of the allocation provision.
- 20 (3) If:
 21 (A) an allocation provision adopted before June 30, 1995, in
 22 a declaratory resolution or an amendment to a declaratory
 23 resolution establishing a redevelopment project area expires
 24 after June 30, 1997; and
 25 (B) after June 30, 1997, a new allocation provision is included
 26 in an amendment to the declaratory resolution;
 27 the net assessed value of all the property as finally determined for
 28 the assessment date immediately preceding the effective date of
 29 the allocation provision adopted after June 30, 1997, as adjusted
 30 under subsection (h).
- 31 (4) Except as provided in subdivision (5), for all other allocation
 32 areas, the net assessed value of all the property as finally
 33 determined for the assessment date immediately preceding the
 34 effective date of the allocation provision of the declaratory
 35 resolution, as adjusted under subsection (h).
- 36 (5) If an allocation area established in an economic development
 37 area before July 1, 1995, is expanded after June 30, 1995, the
 38 definition in subdivision (1) applies to the expanded part of the
 39 area added after June 30, 1995.
- 40 (6) If an allocation area established in a redevelopment project
 41 area before July 1, 1997, is expanded after June 30, 1997, the
 42 definition in subdivision (2) applies to the expanded part of the
 43 area added after June 30, 1997.
- 44 Except as provided in section 39.3 of this chapter, "property taxes"
 45 means taxes imposed under IC 6-1.1 on real property. However, upon
 46 approval by a resolution of the redevelopment commission adopted

before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A declaratory resolution adopted under section 15 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, if bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

- 1 (A) Pay the principal of and interest on any obligations
- 2 payable solely from allocated tax proceeds which are incurred
- 3 by the redevelopment district for the purpose of financing or
- 4 refinancing the redevelopment of that allocation area.
- 5 (B) Establish, augment, or restore the debt service reserve for
- 6 bonds payable solely or in part from allocated tax proceeds in
- 7 that allocation area.
- 8 (C) Pay the principal of and interest on bonds payable from
- 9 allocated tax proceeds in that allocation area and from the
- 10 special tax levied under section 27 of this chapter.
- 11 (D) Pay the principal of and interest on bonds issued by the
- 12 unit to pay for local public improvements in or serving that
- 13 allocation area.
- 14 (E) Pay premiums on the redemption before maturity of bonds
- 15 payable solely or in part from allocated tax proceeds in that
- 16 allocation area.
- 17 (F) Make payments on leases payable from allocated tax
- 18 proceeds in that allocation area under section 25.2 of this
- 19 chapter.
- 20 (G) Reimburse the unit for expenditures made by it for local
- 21 public improvements (which include buildings, parking
- 22 facilities, and other items described in section 25.1(a) of this
- 23 chapter) in or serving that allocation area.
- 24 (H) Reimburse the unit for rentals paid by it for a building or
- 25 parking facility in or serving that allocation area under any
- 26 lease entered into under IC 36-1-10.
- 27 (I) Pay all or a part of a property tax replacement credit to
- 28 taxpayers in an allocation area as determined by the
- 29 redevelopment commission. This credit equals the amount
- 30 determined under the following STEPS for each taxpayer in a
- 31 taxing district (as defined in IC 6-1.1-1-20) that contains all or
- 32 part of the allocation area:
- 33 STEP ONE: Determine that part of the sum of the amounts
- 34 under ~~IC 6-1.1-21-2(g)(1)(A)~~, ~~IC 6-1.1-21-2(g)(2)~~,
- 35 ~~IC 6-1.1-21-2(g)(3)~~, ~~IC 6-1.1-21-2(g)(4)~~, and
- 36 ~~IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2-34(1)(A), IC 6-10-2-34(2),**
- 37 **IC 6-10-2-34(3), IC 6-10-2-34(4), and IC 6-10-2-34(5)** that
- 38 is attributable to the taxing district.
- 39 STEP TWO: Divide:
- 40 (i) that part of each county's eligible property tax
- 41 replacement amount (as defined in ~~IC 6-1.1-21-2~~)
- 42 **IC 6-10-2-14**) for that year as determined under
- 43 ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing
- 44 district; by
- 45 (ii) the STEP ONE sum.
- 46 STEP THREE: Multiply:

- (i) the STEP TWO quotient; times
- (ii) the total amount of the taxpayer's **taxes property tax** (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2-22**) levied in the taxing district that ~~have~~ **has** been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter in the same year.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the commission.

(3) Except as provided in subsection (g), before July 15 of each year the commission shall do the following:

(A) Determine the amount, if any, by which the base assessed value when multiplied by the estimated tax rate of the allocation area will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the county auditor of the amount, if any, of the amount of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1). The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would

1 endanger the interests of the holders of bonds described in
2 subdivision (2) or lessors under section 25.3 of this chapter.

3 (c) For the purpose of allocating taxes levied by or for any taxing
4 unit or units, the assessed value of taxable property in a territory in the
5 allocation area that is annexed by any taxing unit after the effective
6 date of the allocation provision of the declaratory resolution is the
7 lesser of:

8 (1) the assessed value of the property for the assessment date with
9 respect to which the allocation and distribution is made; or

10 (2) the base assessed value.

11 (d) Property tax proceeds allocable to the redevelopment district
12 under subsection (b)(2) may, subject to subsection (b)(3), be
13 irrevocably pledged by the redevelopment district for payment as set
14 forth in subsection (b)(2).

15 (e) Notwithstanding any other law, each assessor shall, upon
16 petition of the redevelopment commission, reassess the taxable
17 property situated upon or in, or added to, the allocation area, effective
18 on the next assessment date after the petition.

19 (f) Notwithstanding any other law, the assessed value of all taxable
20 property in the allocation area, for purposes of tax limitation, property
21 tax replacement, and formulation of the budget, tax rate, and tax levy
22 for each political subdivision in which the property is located is the
23 lesser of:

24 (1) the assessed value of the property as valued without regard to
25 this section; or

26 (2) the base assessed value.

27 (g) If any part of the allocation area is located in an enterprise zone
28 created under IC 5-28-15, the unit that designated the allocation area
29 shall create funds as specified in this subsection. A unit that has
30 obligations, bonds, or leases payable from allocated tax proceeds under
31 subsection (b)(2) shall establish an allocation fund for the purposes
32 specified in subsection (b)(2) and a special zone fund. Such a unit
33 shall, until the end of the enterprise zone phase out period, deposit each
34 year in the special zone fund any amount in the allocation fund derived
35 from property tax proceeds in excess of those described in subsection
36 (b)(1) from property located in the enterprise zone that exceeds the
37 amount sufficient for the purposes specified in subsection (b)(2) for the
38 year. The amount sufficient for purposes specified in subsection (b)(2)
39 for the year shall be determined based on the pro rata portion of such
40 current property tax proceeds from the part of the enterprise zone that
41 is within the allocation area as compared to all such current property
42 tax proceeds derived from the allocation area. A unit that has no
43 obligations, bonds, or leases payable from allocated tax proceeds under
44 subsection (b)(2) shall establish a special zone fund and deposit all the
45 property tax proceeds in excess of those described in subsection (b)(1)
46 in the fund derived from property tax proceeds in excess of those

described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 172. IC 36-7-14-39.5 IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 39.5. (a) As used
2 in this section, "allocation area" has the meaning set forth in section 39
3 of this chapter.

4 (b) As used in this section, "taxing district" has the meaning set
5 forth in IC 6-1.1-1-20.

6 (c) Subject to subsection (e) and except as provided in subsection
7 (h), each taxpayer in an allocation area is entitled to an additional credit
8 for **taxes property tax** (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2-22**) that
9 under IC 6-1.1-22-9 are due and payable in May and November of that
10 year. Except as provided in subsection (h), one-half (1/2) of the credit
11 shall be applied to each installment of **taxes property tax** (as defined
12 in ~~IC 6-1.1-21-2~~ **IC 6-10-2-22**). This credit equals the amount
13 determined under the following STEPS for each taxpayer in a taxing
14 district that contains all or part of the allocation area:

15 STEP ONE: Determine that part of the sum of the amounts under
16 ~~IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3),~~
17 ~~IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2-34(1)(A),**
18 **IC 6-10-2-34(2), IC 6-10-2-34(3), IC 6-10-2-34(4), and**
19 **IC 6-10-2-34(5)** that is attributable to the taxing district.

20 STEP TWO: Divide:

21 (A) that part of each county's eligible property tax replacement
22 amount (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2-14**) for that
23 year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is
24 attributable to the taxing district; by

25 (B) the STEP ONE sum.

26 STEP THREE: Multiply:

27 (A) the STEP TWO quotient; times

28 (B) the total amount of the taxpayer's **taxes property tax** (as
29 defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2-22**) levied in the taxing
30 district that would have been allocated to an allocation fund
31 under section 39 of this chapter had the additional credit
32 described in this section not been given.

33 The additional credit reduces the amount of proceeds allocated to the
34 redevelopment district and paid into an allocation fund under section
35 39(b)(2) of this chapter.

36 (d) If the additional credit under subsection (c) is not reduced under
37 subsection (e) or (f), the credit for property tax replacement under
38 ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c)
39 shall be computed on an aggregate basis for all taxpayers in a taxing
40 district that contains all or part of an allocation area. The credit for
41 property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the
42 additional credit under subsection (c) shall be combined on the tax
43 statements sent to each taxpayer.

44 (e) Upon the recommendation of the redevelopment commission,
45 the municipal legislative body (in the case of a redevelopment
46 commission established by a municipality) or the county executive (in

the case of a redevelopment commission established by a county) may, by resolution, provide that the additional credit described in subsection (c):

- (1) does not apply in a specified allocation area; or
- (2) is to be reduced by a uniform percentage for all taxpayers in a specified allocation area.

(f) Whenever the municipal legislative body or county executive determines that granting the full additional credit under subsection (c) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the municipal legislative body or county executive must adopt a resolution under subsection (e) to deny the additional credit or reduce it to a level that creates a reasonable expectation that the bonds or other obligations will be paid when due. A resolution adopted under subsection (e) denies or reduces the additional credit for property taxes first due and payable in the allocation area in any year following the year in which the resolution is adopted.

(g) A resolution adopted under subsection (e) remains in effect until it is rescinded by the body that originally adopted it. However, a resolution may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If a resolution is rescinded and no other resolution is adopted, the additional credit described in subsection (c) applies to property taxes first due and payable in the allocation area in each year following the year in which the resolution is rescinded.

(h) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20.9-1~~) **IC 6-10-2-15**) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (c) for the **taxes property tax** (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2-22**) due in installments. The credit shall be applied in the same proportion to each installment of **taxes property tax** (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2-22**).

SECTION 173. IC 36-7-14-48, AS ADDED BY P.L.154-2006, SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 48. (a) Notwithstanding section 39(a) of this chapter, with respect to the allocation and distribution of property taxes

for the accomplishment of a program adopted under section 45 of this chapter, "base assessed value" means the net assessed value of all of the property, other than personal property, as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 39(h) of this chapter.

(b) The allocation fund established under section 39(b) of this chapter for the allocation area for a program adopted under section 45 of this chapter may be used only for purposes related to the accomplishment of the program, including the following:

(1) The construction, rehabilitation, or repair of residential units within the allocation area.

(2) The construction, reconstruction, or repair of any infrastructure (including streets, sidewalks, and sewers) within or serving the allocation area.

(3) The acquisition of real property and interests in real property within the allocation area.

(4) The demolition of real property within the allocation area.

(5) The provision of financial assistance to enable individuals and families to purchase or lease residential units within the allocation area. However, financial assistance may be provided only to those individuals and families whose income is at or below the county's median income for individuals and families, respectively.

(6) The provision of financial assistance to neighborhood development corporations to permit them to provide financial assistance for the purposes described in subdivision (5).

(7) Providing each taxpayer in the allocation area a credit for property tax replacement as determined under subsections (c) and (d). However, the commission may provide this credit only if the municipal legislative body (in the case of a redevelopment commission established by a municipality) or the county executive (in the case of a redevelopment commission established by a county) establishes the credit by ordinance adopted in the year before the year in which the credit is provided.

(c) The maximum credit that may be provided under subsection (b)(7) to a taxpayer in a taxing district that contains all or part of an allocation area established for a program adopted under section 45 of this chapter shall be determined as follows:

STEP ONE: Determine that part of the sum of the amounts described in ~~IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2-34(1)(A), IC 6-10-2-34(2), IC 6-10-2-34(3), IC 6-10-2-34(4), and IC 6-10-2-34(5)** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2-14**) for that year as determined under ~~IC 6-1.1-21-4(a)(1)~~ **IC 6-10-3** that

- 1 is attributable to the taxing district; by
 2 (B) the amount determined under STEP ONE.
- 3 STEP THREE: Multiply:
 4 (A) the STEP TWO quotient; by
 5 (B) the taxpayer's ~~taxes~~ **property tax** (as defined in
 6 ~~IC 6-1.1-21-2~~) **IC 6-10-2-22**) levied in the taxing district
 7 allocated to the allocation fund, including the amount that
 8 would have been allocated but for the credit.
- 9 (d) The commission may determine to grant to taxpayers in an
 10 allocation area from its allocation fund a credit under this section, as
 11 calculated under subsection (c). Except as provided in subsection (g),
 12 one-half (1/2) of the credit shall be applied to each installment of ~~taxes~~
 13 **property tax** (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2-22**) that under
 14 IC 6-1.1-22-9 are due and payable on May 10 and November 10 of a
 15 year. The commission must provide for the credit annually by a
 16 resolution and must find in the resolution the following:
- 17 (1) That the money to be collected and deposited in the allocation
 18 fund, based upon historical collection rates, after granting the
 19 credit will equal the amounts payable for contractual obligations
 20 from the fund, plus ten percent (10%) of those amounts.
- 21 (2) If bonds payable from the fund are outstanding, that there is
 22 a debt service reserve for the bonds that at least equals the amount
 23 of the credit to be granted.
- 24 (3) If bonds of a lessor under section 25.2 of this chapter or under
 25 IC 36-1-10 are outstanding and if lease rentals are payable from
 26 the fund, that there is a debt service reserve for those bonds that
 27 at least equals the amount of the credit to be granted.
- 28 If the tax increment is insufficient to grant the credit in full, the
 29 commission may grant the credit in part, prorated among all taxpayers.
- 30 (e) Notwithstanding section 39(b) of this chapter, the allocation
 31 fund established under section 39(b) of this chapter for the allocation
 32 area for a program adopted under section 45 of this chapter may only
 33 be used to do one (1) or more of the following:
- 34 (1) Accomplish one (1) or more of the actions set forth in section
 35 39(b)(2)(A) through 39(b)(2)(H) and 39(b)(2)(J) of this chapter
 36 for property that is residential in nature.
- 37 (2) Reimburse the county or municipality for expenditures made
 38 by the county or municipality in order to accomplish the housing
 39 program in that allocation area.
- 40 The allocation fund may not be used for operating expenses of the
 41 commission.
- 42 (f) Notwithstanding section 39(b) of this chapter, the commission
 43 shall, relative to the allocation fund established under section 39(b) of
 44 this chapter for an allocation area for a program adopted under section
 45 45 of this chapter, do the following before July 15 of each year:
- 46 (1) Determine the amount, if any, by which property taxes payable

to the allocation fund in the following year will exceed the amount of property taxes necessary:

(A) to make, when due, principal and interest payments on bonds described in section 39(b)(2) of this chapter;

(B) to pay the amount necessary for other purposes described in section 39(b)(2) of this chapter; and

(C) to reimburse the county or municipality for anticipated expenditures described in subsection (e)(2).

(2) Notify the county auditor of the amount, if any, of excess property taxes that the commission has determined may be paid to the respective taxing units in the manner prescribed in section 39(b)(1) of this chapter.

(g) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20.9-1~~) **IC 6-10-2-15**) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (d) for the ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2-22**) due in installments. The credit shall be applied in the same proportion to each installment of ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2-22**).

SECTION 174. IC 36-7-14.5-12.5, AS AMENDED BY P.L.1-2006, SECTION 567, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 12.5. (a) This section applies only to an authority in a county having a United States government military base that is scheduled for closing or is completely or partially inactive or closed.

(b) In order to accomplish the purposes set forth in section 11 of this chapter, an authority may create an economic development area:

(1) by following the procedures set forth in IC 36-7-14-41 for the establishment of an economic development area by a redevelopment commission; and

(2) with the same effect as if the economic development area was created by a redevelopment commission.

The area established under this section shall be established only in the area where a United States government military base that is scheduled for closing or is completely or partially inactive or closed is or was located.

(c) In order to accomplish the purposes set forth in section 11 of this chapter, an authority may do the following in a manner that serves an economic development area created under this section:

(1) Acquire by purchase, exchange, gift, grant, condemnation, or lease, or any combination of methods, any personal property or

1 interest in real property needed for the redevelopment of
2 economic development areas located within the corporate
3 boundaries of the unit.

4 (2) Hold, use, sell (by conveyance by deed, land sale contract, or
5 other instrument), exchange, lease, rent, or otherwise dispose of
6 property acquired for use in the redevelopment of economic
7 development areas on the terms and conditions that the authority
8 considers best for the unit and the unit's inhabitants.

9 (3) Sell, lease, or grant interests in all or part of the real property
10 acquired for redevelopment purposes to any other department of
11 the unit or to any other governmental agency for public ways,
12 levees, sewerage, parks, playgrounds, schools, and other public
13 purposes on any terms that may be agreed on.

14 (4) Clear real property acquired for redevelopment purposes.

15 (5) Repair and maintain structures acquired for redevelopment
16 purposes.

17 (6) Remodel, rebuild, enlarge, or make major structural
18 improvements on structures acquired for redevelopment purposes.

19 (7) Survey or examine any land to determine whether the land
20 should be included within an economic development area to be
21 acquired for redevelopment purposes and to determine the value
22 of that land.

23 (8) Appear before any other department or agency of the unit, or
24 before any other governmental agency in respect to any matter
25 affecting:

26 (A) real property acquired or being acquired for
27 redevelopment purposes; or

28 (B) any economic development area within the jurisdiction of
29 the authority.

30 (9) Institute or defend in the name of the unit any civil action, but
31 all actions against the authority must be brought in the circuit or
32 superior court of the county where the authority is located.

33 (10) Use any legal or equitable remedy that is necessary or
34 considered proper to protect and enforce the rights of and perform
35 the duties of the authority.

36 (11) Exercise the power of eminent domain in the name of and
37 within the corporate boundaries of the unit subject to the same
38 conditions and procedures that apply to the exercise of the power
39 of eminent domain by a redevelopment commission under
40 IC 36-7-14.

41 (12) Appoint an executive director, appraisers, real estate experts,
42 engineers, architects, surveyors, and attorneys.

43 (13) Appoint clerks, guards, laborers, and other employees the
44 authority considers advisable, except that those appointments
45 must be made in accordance with the merit system of the unit if
46 such a system exists.

(14) Prescribe the duties and regulate the compensation of employees of the authority.

(15) Provide a pension and retirement system for employees of the authority by using the public employees' retirement fund or a retirement plan approved by the United States Department of Housing and Urban Development.

(16) Discharge and appoint successors to employees of the authority subject to subdivision (13).

(17) Rent offices for use of the department or authority, or accept the use of offices furnished by the unit.

(18) Equip the offices of the authority with the necessary furniture, furnishings, equipment, records, and supplies.

(19) Design, order, contract for, and construct, reconstruct, improve, or renovate the following:

(A) Any local public improvement or structure that is necessary for redevelopment purposes or economic development within the corporate boundaries of the unit.

(B) Any structure that enhances development or economic development.

(20) Contract for the construction, extension, or improvement of pedestrian skyways (as defined in IC 36-7-14-12.2(c)).

(21) Accept loans, grants, and other forms of financial assistance from, or contract with, the federal government, the state government, a municipal corporation, a special taxing district, a foundation, or any other source.

(22) Make and enter into all contracts and agreements necessary or incidental to the performance of the duties of the authority and the execution of the powers of the authority under this chapter.

(23) Take any action necessary to implement the purpose of the authority.

(24) Provide financial assistance, in the manner that best serves the purposes set forth in section 11 of this chapter, including grants and loans, to enable private enterprise to develop, redevelop, and reuse military base property or otherwise enable private enterprise to provide social and economic benefits to the citizens of the unit.

(d) An authority may designate all or a portion of an economic development area created under this section as an allocation area by following the procedures set forth in IC 36-7-14-39 for the establishment of an allocation area by a redevelopment commission. The allocation provision may modify the definition of "property taxes" under IC 36-7-14-39(a) to include taxes imposed under IC 6-1.1 on the depreciable personal property located and taxable on the site of operations of designated taxpayers in accordance with the procedures applicable to a commission under IC 36-7-14-39.3. IC 36-7-14-39.3 applies to such a modification. An allocation area established by an

authority under this section is a special taxing district authorized by the general assembly to enable the unit to provide special benefits to taxpayers in the allocation area by promoting economic development that is of public use and benefit. For allocation areas established for an economic development area created under this section after June 30, 1997, and to the expanded portion of an allocation area for an economic development area that was established before June 30, 1997, and that is expanded under this section after June 30, 1997, the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date, must be allocated. All of the provisions of IC 36-7-14-39, IC 36-7-14-39.1, and IC 36-7-14-39.5 apply to an allocation area created under this section, except that the authority shall be vested with the rights and duties of a commission as referenced in those sections, and except that, notwithstanding IC 36-7-14-39(b)(2), property tax proceeds paid into the allocation fund may be used by the authority only to do one (1) or more of the following:

(1) Pay the principal of and interest and redemption premium on any obligations incurred by the special taxing district or any other entity for the purpose of financing or refinancing military base reuse activities in or serving or benefiting that allocation area.

(2) Establish, augment, or restore the debt service reserve for obligations payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the authority (including lease rental revenues).

(3) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(4) Reimburse any other governmental body for expenditures made by it for local public improvements or structures in or serving or benefiting that allocation area.

(5) Pay all or a portion of a property tax replacement credit to taxpayers in an allocation area as determined by the authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A)~~, ~~IC 6-1.1-21-2(g)(2)~~, ~~IC 6-1.1-21-2(g)(3)~~, ~~IC 6-1.1-21-2(g)(4)~~, and ~~IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2-34(1)(A), IC 6-10-2-34(2), IC 6-10-2-34(3), IC 6-10-2-34(4), and IC 6-10-2-34(5)** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2-14**) for that year as determined under

1 ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing
 2 district; by

3 (B) the STEP ONE sum.

4 STEP THREE: Multiply:

5 (A) the STEP TWO quotient; by

6 (B) the total amount of the taxpayer's **taxes property tax** (as
 7 defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2-22**) levied in the taxing
 8 district that have been allocated during that year to an
 9 allocation fund under this section.

10 If not all the taxpayers in an allocation area receive the credit in
 11 full, each taxpayer in the allocation area is entitled to receive the
 12 same proportion of the credit. A taxpayer may not receive a credit
 13 under this section and a credit under IC 36-7-14-39.5 in the same
 14 year.

15 (6) Pay expenses incurred by the authority for local public
 16 improvements or structures that are in the allocation area or
 17 serving or benefiting the allocation area.

18 (7) Reimburse public and private entities for expenses incurred in
 19 training employees of industrial facilities that are located:

20 (A) in the allocation area; and

21 (B) on a parcel of real property that has been classified as
 22 industrial property under the rules of the department of local
 23 government finance.

24 However, the total amount of money spent for this purpose in any
 25 year may not exceed the total amount of money in the allocation
 26 fund that is attributable to property taxes paid by the industrial
 27 facilities described in clause (B). The reimbursements under this
 28 subdivision must be made within three (3) years after the date on
 29 which the investments that are the basis for the increment
 30 financing are made. The allocation fund may not be used for
 31 operating expenses of the authority.

32 (e) In addition to other methods of raising money for property
 33 acquisition, redevelopment, or economic development activities in or
 34 directly serving or benefitting an economic development area created
 35 by an authority under this section, and in anticipation of the taxes
 36 allocated under subsection (d), other revenues of the authority, or any
 37 combination of these sources, the authority may, by resolution, issue
 38 the bonds of the special taxing district in the name of the unit. Bonds
 39 issued under this section may be issued in any amount without
 40 limitation. The following apply if such a resolution is adopted:

41 (1) The authority shall certify a copy of the resolution authorizing
 42 the bonds to the municipal or county fiscal officer, who shall then
 43 prepare the bonds. The seal of the unit must be impressed on the
 44 bonds, or a facsimile of the seal must be printed on the bonds.

45 (2) The bonds must be executed by the appropriate officer of the
 46 unit and attested by the unit's fiscal officer.

1 (3) The bonds are exempt from taxation for all purposes.

2 (4) Bonds issued under this section may be sold at public sale in
3 accordance with IC 5-1-11 or at a negotiated sale.

4 (5) The bonds are not a corporate obligation of the unit but are an
5 indebtedness of the taxing district. The bonds and interest are
6 payable, as set forth in the bond resolution of the authority:

7 (A) from the tax proceeds allocated under subsection (d);

8 (B) from other revenues available to the authority; or

9 (C) from a combination of the methods stated in clauses (A)
10 and (B).

11 (6) Proceeds from the sale of bonds may be used to pay the cost
12 of interest on the bonds for a period not to exceed five (5) years
13 from the date of issuance.

14 (7) Laws relating to the filing of petitions requesting the issuance
15 of bonds and the right of taxpayers to remonstrate against the
16 issuance of bonds do not apply to bonds issued under this section.

17 (8) If a debt service reserve is created from the proceeds of bonds,
18 the debt service reserve may be used to pay principal and interest
19 on the bonds as provided in the bond resolution.

20 (9) If bonds are issued under this chapter that are payable solely
21 or in part from revenues to the authority from a project or
22 projects, the authority may adopt a resolution or trust indenture or
23 enter into covenants as is customary in the issuance of revenue
24 bonds. The resolution or trust indenture may pledge or assign the
25 revenues from the project or projects. The resolution or trust
26 indenture may also contain any provisions for protecting and
27 enforcing the rights and remedies of the bond owners as may be
28 reasonable and proper and not in violation of law, including
29 covenants setting forth the duties of the authority. The authority
30 may establish fees and charges for the use of any project and
31 covenant with the owners of any bonds to set those fees and
32 charges at a rate sufficient to protect the interest of the owners of
33 the bonds. Any revenue bonds issued by the authority that are
34 payable solely from revenues of the authority shall contain a
35 statement to that effect in the form of bond.

36 (f) Notwithstanding section 8(a) of this chapter, an ordinance
37 adopted under section 11 of this chapter may provide, or be amended
38 to provide, that the board of directors of the authority shall be
39 composed of not fewer than three (3) nor more than eleven (11)
40 members, who must be residents of the unit appointed by the executive
41 of the unit.

42 (g) The acquisition of real and personal property by an authority
43 under this section is not subject to the provisions of IC 5-22,
44 IC 36-1-10.5, IC 36-7-14-19, or any other statutes governing the
45 purchase of property by public bodies or their agencies.

46 (h) An authority may negotiate for the sale, lease, or other

disposition of real and personal property without complying with the provisions of IC 5-22-22, IC 36-1-11, IC 36-7-14-22, or any other statute governing the disposition of public property.

(i) Notwithstanding any other law, utility services provided within an economic development area established under this section are subject to regulation by the appropriate regulatory agencies unless the utility service is provided by a utility that provides utility service solely within the geographic boundaries of an existing or a closed military installation, in which case the utility service is not subject to regulation for purposes of rate making, regulation, service delivery, or issuance of bonds or other forms of indebtedness. However, this exemption from regulation does not apply to utility service if the service is generated, treated, or produced outside the boundaries of the existing or closed military installation."

Page 100, between lines 35 and 36, begin a new paragraph and insert:

"SECTION 176. IC 36-7-15.1-26.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 26.5. (a) As used in this section, "adverse determination" means a determination by the fiscal officer of the consolidated city that the granting of credits described in subsection (g) or (h) would impair any contract with or otherwise adversely affect the owners of outstanding bonds payable from the allocation area special fund.

(b) As used in this section, "allocation area" has the meaning set forth in section 26 of this chapter.

(c) As used in this section, "special fund" refers to the special fund into which property taxes are paid under section 26 of this chapter.

(d) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(e) Except as provided in subsections (g), (h), (i), and (j), each taxpayer in an allocation area is entitled to an additional credit for ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2-22**) that, under IC 6-1.1-22-9, ~~are~~ **is** due and payable in May and November of that year. Except as provided in subsection (j), one-half (1/2) of the credit shall be applied to each installment of ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2-22**). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2-34(1)(A), IC 6-10-2-34(2), IC 6-10-2-34(3), IC 6-10-2-34(4), and IC 6-10-2-34(5)** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2-14**) for that

year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2-22**) levied in the taxing district that would have been allocated to an allocation fund under section 26 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the redevelopment district and paid into the special fund.

(f) The credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credits under subsections (e), (g), (h), and (i), unless the credits under subsections (g) and (h) are partial credits, shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. Except as provided in subsections (h) and (i), the credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credits under subsections (e), (g), (h), and (i) shall be combined on the tax statements sent to each taxpayer.

(g) This subsection applies to an allocation area if allocated taxes from that area were pledged to bonds, leases, or other obligations of the commission before May 8, 1989. A credit calculated using the method provided in subsection (e) may be granted under this subsection. The credit provided under this subsection is first applicable for the allocation area for property taxes first due and payable in 1992. The following apply to the determination of the credit provided under this subsection:

(1) Before June 15 of each year, the fiscal officer of the consolidated city shall determine and certify the following:

(A) All amounts due in the following year to the owners of outstanding bonds payable from the allocation area special fund.

(B) All amounts that are:

(i) required under contracts with bond holders; and

(ii) payable from the allocation area special fund to fund accounts and reserves.

(C) An estimate of the amount of personal property taxes available to be paid into the allocation area special fund under section 26.9(c) of this chapter.

(D) An estimate of the aggregate amount of credits to be granted if full credits are granted.

(2) Before June 15 of each year, the fiscal officer of the consolidated city shall determine if the granting of the full amount of credits in the following year would impair any contract with or

otherwise adversely affect the owners of outstanding bonds payable from the allocation area special fund.

(3) If the fiscal officer of the consolidated city determines under subdivision (2) that there would not be an impairment or adverse effect:

(A) the fiscal officer of the consolidated city shall certify the determination; and

(B) the full credits shall be applied in the following year, subject to the determinations and certifications made under section 26.7(b) of this chapter.

(4) If the fiscal officer of the consolidated city makes an adverse determination under subdivision (2), the fiscal officer of the consolidated city shall determine whether there is an amount of partial credits that, if granted in the following year, would not result in the impairment or adverse effect. If the fiscal officer determines that there is an amount of partial credits that would not result in the impairment or adverse effect, the fiscal officer shall do the following:

(A) Determine the amount of the partial credits.

(B) Certify that determination.

(5) If the fiscal officer of the consolidated city certifies under subdivision (4) that partial credits may be paid, the partial credits shall be applied pro rata among all affected taxpayers in the following year.

(6) An affected taxpayer may appeal any of the following to the circuit or superior court of the county in which the allocation area is located:

(A) A determination by the fiscal officer of the consolidated city that:

(i) credits may not be paid in the following year; or

(ii) only partial credits may be paid in the following year.

(B) A failure by the fiscal officer of the consolidated city to make a determination by June 15 of whether full or partial credits are payable under this subsection.

(7) An appeal of a determination must be filed not later than thirty (30) days after the publication of the determination.

(8) An appeal of a failure by the fiscal officer of the consolidated city to make a determination of whether the credits are payable under this subsection must be filed by July 15 of the year in which the determination should have been made.

(9) All appeals under subdivision (6) shall be decided by the court within sixty (60) days.

(h) This subsection applies to an allocation area if allocated taxes from that area were pledged to bonds, leases, or other obligations of the commission before May 8, 1989. A credit calculated using the method in subsection (e) and in subdivision (2) may be granted under this

1 subsection. The following apply to the credit granted under this
2 subsection:

3 (1) The credit is applicable to property taxes first due and payable
4 in 1991.

5 (2) For purposes of this subsection, the amount of a credit for
6 1990 taxes payable in 1991 with respect to an affected taxpayer
7 is equal to:

8 (A) the amount of the quotient determined under STEP TWO
9 of subsection (e); multiplied by

10 (B) the total amount of the property taxes payable by the
11 taxpayer that were allocated in 1991 to the allocation area
12 special fund under section 26 of this chapter.

13 (3) Before June 15, 1991, the fiscal officer of the consolidated
14 city shall determine and certify an estimate of the aggregate
15 amount of credits for 1990 taxes payable in 1991 if the full credits
16 are granted.

17 (4) The fiscal officer of the consolidated city shall determine
18 whether the granting of the full amounts of the credits for 1990
19 taxes payable in 1991 against 1991 taxes payable in 1992 and the
20 granting of credits under subsection (g) would impair any contract
21 with or otherwise adversely affect the owners of outstanding
22 bonds payable from the allocation area special fund for an
23 allocation area described in subsection (g).

24 (5) If the fiscal officer of the consolidated city determines that
25 there would not be an impairment or adverse effect under
26 subdivision (4):

27 (A) the fiscal officer shall certify that determination; and

28 (B) the full credits shall be applied against 1991 taxes payable
29 in 1992 or the amount of the credits shall be paid to the
30 taxpayers as provided in subdivision (12), subject to the
31 determinations and certifications made under section 26.7(b)
32 of this chapter.

33 (6) If the fiscal officer of the consolidated city makes an adverse
34 determination under subdivision (4), the fiscal officer shall
35 determine whether there is an amount of partial credits for 1990
36 taxes payable in 1991 that, if granted against 1991 taxes payable
37 in 1992 in addition to granting of the credits under subsection (g),
38 would not result in the impairment or adverse effect.

39 (7) If the fiscal officer of the consolidated city determines under
40 subdivision (6) that there is an amount of partial credits that
41 would not result in the impairment or adverse effect, the fiscal
42 officer shall determine the amount of partial credits and certify
43 that determination.

44 (8) If the fiscal officer of the consolidated city certifies under
45 subdivision (7) that partial credits may be paid, the partial credits
46 shall be applied pro rata among all affected taxpayers against

- 1 1991 taxes payable in 1992.
- 2 (9) An affected taxpayer may appeal any of the following to the
- 3 circuit or superior court of the county in which the allocation area
- 4 is located:
- 5 (A) A determination by the fiscal officer of the consolidated
- 6 city that:
- 7 (i) credits may not be paid for 1990 taxes payable in 1991;
- 8 or
- 9 (ii) only partial credits may be paid for 1990 taxes payable
- 10 in 1991.
- 11 (B) A failure by the fiscal officer of the consolidated city to
- 12 make a determination by June 15, 1991, of whether credits are
- 13 payable under this subsection.
- 14 (10) An appeal of a determination must be filed not later than
- 15 thirty (30) days after the publication of the determination. Any
- 16 such appeal shall be decided by the court within sixty (60) days.
- 17 (11) An appeal of a failure by the fiscal officer of the consolidated
- 18 city to make a determination of whether credits are payable under
- 19 this subsection must be filed by July 15, 1991. Any such appeal
- 20 shall be decided by the court within sixty (60) days.
- 21 (12) If 1991 taxes payable in 1992 with respect to a parcel are
- 22 billed to the same taxpayer to which 1990 taxes payable in 1991
- 23 were billed, the county treasurer shall apply to the tax bill for
- 24 1991 taxes payable in 1992 both the credit provided under
- 25 subsection (g) and the credit provided under this subsection,
- 26 along with any credit determined to be applicable to the tax bill
- 27 under subsection (i). In the alternative, at the election of the
- 28 county auditor, the county may pay to the taxpayer the amount of
- 29 the credit by May 10, 1992, and the amount shall be charged to
- 30 the taxing units in which the allocation area is located in the
- 31 proportion of the taxing units' respective tax rates for 1990 taxes
- 32 payable in 1991.
- 33 (13) If 1991 taxes payable in 1992 with respect to a parcel are
- 34 billed to a taxpayer other than the taxpayer to which 1990 taxes
- 35 payable in 1991 were billed, the county treasurer shall do the
- 36 following:
- 37 (A) Apply only the credits under subsections (g) and (i) to the
- 38 tax bill for 1991 taxes payable in 1992.
- 39 (B) Give notice by June 30, 1991, by publication two (2) times
- 40 in three (3) newspapers in the county with the largest
- 41 circulation of the availability of a refund of the credit under
- 42 this subsection.
- 43 A taxpayer entitled to a credit must file an application for refund
- 44 of the credit with the county auditor not later than November 30,
- 45 1991.
- 46 (14) A taxpayer who files an application by November 30, 1991,

is entitled to payment from the county treasurer in an amount that is in the same proportion to the credit provided under this subsection with respect to a parcel as the amount of 1990 taxes payable in 1991 paid by the taxpayer with respect to the parcel bears to the 1990 taxes payable in 1991 with respect to the parcel. This amount shall be paid to the taxpayer by May 10, 1992, and shall be charged to the taxing units in which the allocation area is located in the proportion of the taxing units' respective tax rates for 1990 taxes payable in 1991.

(i) This subsection applies to an allocation area if allocated taxes from that area were pledged to bonds, leases, or other obligations of the commission before May 8, 1989. The following apply to the credit granted under this subsection:

(1) A prior year credit is applicable to property taxes first due and payable in each year from 1987 through 1990 (the "prior years").

(2) The credit for each prior year is equal to:

(A) the amount of the quotient determined under STEP TWO of subsection (e) for the prior year; multiplied by

(B) the total amount of the property taxes paid by the taxpayer that were allocated in the prior year to the allocation area special fund under section 26 of this chapter.

(3) Before January 31, 1992, the county auditor shall determine the amount of credits under subdivision (2) with respect to each parcel in the allocation area for all prior years with respect to which:

(A) taxes were billed to the same taxpayer for taxes payable in each year from 1987 through 1991; or

(B) an application was filed by November 30, 1991, under subdivision (8) for refund of the credits for prior years.

A report of the determination by parcel shall be sent by the county auditor to the department of local government finance and the budget agency within five (5) days of such determination.

(4) Before January 31, 1992, the county auditor shall determine the quotient of the amounts determined under subdivision (3) with respect to each parcel divided by six (6).

(5) Before January 31, 1992, the county auditor shall determine the quotient of the aggregate amounts determined under subdivision (3) with respect to all parcels divided by twelve (12).

(6) Except as provided in subdivisions (7) and (9), in each year in which credits from prior years remain unpaid, credits for the prior years in the amounts determined under subdivision (4) shall be applied as provided in this subsection.

(7) If taxes payable in the current year with respect to a parcel are billed to the same taxpayer to which taxes payable in all of the prior years were billed and if the amount determined under subdivision (3) with respect to the parcel is at least five hundred

dollars (\$500), the county treasurer shall apply the credits provided for the current year under subsections (g) and (h) and the credit in the amount determined under subdivision (4) to the tax bill for taxes payable in the current year. However, if the amount determined under subdivision (3) with respect to the parcel is less than five hundred dollars (\$500) (referred to in this subdivision as "small claims"), the county may, at the election of the county auditor, either apply a credit in the amount determined under subdivision (3) or (4) to the tax bill for taxes payable in the current year or pay either amount to the taxpayer. If title to a parcel transfers in a year in which a credit under this subsection is applied to the tax bill, the transferor may file an application with the county auditor within thirty (30) days of the date of the transfer of title to the parcel for payments to the transferor at the same times and in the same amounts that would have been allowed as credits to the transferor under this subsection if there had not been a transfer. If a determination is made by the county auditor to refund or credit small claims in the amounts determined under subdivision (3) in 1992, the county auditor may make appropriate adjustments to the credits applied with respect to other parcels so that the total refunds and credits in any year will not exceed the payments made from the state property tax replacement fund to the prior year credit fund referred to in subdivision (11) in that year.

(8) If taxes payable in the current year with respect to a parcel are billed to a taxpayer that is not a taxpayer to which taxes payable in all of the prior years were billed, the county treasurer shall do the following:

(A) Apply only the credits under subsections (g) and (h) to the tax bill for taxes payable in the current year.

(B) Give notice by June 30, 1991, by publication two (2) times in three (3) newspapers in the county with the largest circulation of the availability of a refund of the credit.

A taxpayer entitled to the credit must file an application for refund of the credit with the county auditor not later than November 30, 1991. A refund shall be paid to an eligible applicant by May 10, 1992.

(9) A taxpayer who filed an application by November 30, 1991, is entitled to payment from the county treasurer under subdivision (8) in an amount that is in the same proportion to the credit determined under subdivision (3) with respect to a parcel as the amount of taxes payable in the prior years paid by the taxpayer with respect to the parcel bears to the taxes payable in the prior years with respect to the parcel.

(10) In each year on May 1 and November 1, the state shall pay to the county treasurer from the state ~~property tax replacement~~

general fund the amount determined under subdivision (5).

(11) All payments received from the state under subdivision (10) shall be deposited into a special fund to be known as the prior year credit fund. The prior year credit fund shall be used to make:

(A) payments under subdivisions (7) and (9); and

(B) deposits into the special fund for the application of prior year credits.

(12) All amounts paid into the special fund for the allocation area under subdivision (11) are subject to any pledge of allocated property tax proceeds made by the redevelopment district under section 26(d) of this chapter, including but not limited to any pledge made to owners of outstanding bonds of the redevelopment district of allocated taxes from that area.

(13) By January 15, 1993, and by January 15 of each year thereafter, the county auditor shall send to the department of local government finance and the budget agency a report of the receipts, earnings, and disbursements of the prior year credit fund for the prior calendar year. If in the final year that credits under ~~subsection (i)~~ **this subsection** are allowed any balance remains in the prior year credit fund after the payment of all credits payable under this subsection, such balance shall be repaid to the treasurer of state for deposit in the **property tax replacement state general** fund.

(14) In each year, the county shall limit the total of all refunds and credits provided for in this subsection to the total amount paid in that year from the **property tax replacement state general** fund into the prior year credit fund and any balance remaining from the preceding year in the prior year credit fund.

(j) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20.9-1~~) **IC 6-10-2-15**) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (e) for the ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2-22**) due in installments. The credit shall be applied in the same proportion to each installment of ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2-22**).

SECTION 177, IC 36-7-15.1-26.9, AS AMENDED BY P.L.2-2006, SECTION 192, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 26.9. (a) The definitions set forth in section 26.5 of this chapter apply to this section.

(b) The fiscal officer of the consolidated city shall publish in the newspaper in the county with the largest circulation all determinations

made under section 26.5 or 26.7 of this chapter that result in the allowance or disallowance of credits. The publication of a determination made under section 26.5 of this chapter shall be made not later than June 20 of the year in which the determination is made. The publication of a determination made under section 26.7 of this chapter shall be made not later than December 5 of the year in which the determination is made.

(c) If credits are granted under section 26.5(g) or 26.5(h) of this chapter, whether in whole or in part, property taxes on personal property (as defined in IC 6-1.1-1-11) that are equal to the aggregate amounts of the credits for all taxpayers in the allocation area under section 26.5(g) and 26.5(h) of this chapter shall be:

- (1) allocated to the redevelopment district;
- (2) paid into the special fund for that allocation area; and
- (3) used for the purposes specified in section 26 of this chapter.

(d) The county auditor shall adjust the estimate of assessed valuation that the auditor certifies under IC 6-1.1-17-1 for all taxing units in which the allocation area is located. The county auditor may amend this adjustment at any time before the earliest date a taxing unit must publish the unit's proposed property tax rate under IC 6-1.1-17-3 in the year preceding the year in which the credits under section 26.5(g) or 26.5(h) of this chapter are paid. The auditor's adjustment to the assessed valuation shall be:

- (1) calculated to produce an estimated assessed valuation that will offset the effect that paying personal property taxes into the allocation area special fund under subsection (c) would otherwise have on the ability of a taxing unit to achieve the taxing unit's tax levy in the following year; and
- (2) used by the county board of tax adjustment, the department of local government finance, and each taxing unit in determining each taxing unit's tax rate and tax levy in the following year.

(e) The amount by which a taxing unit's levy is adjusted as a result of the county auditor's adjustment of assessed valuation under subsection (d), and the amount of the levy that is used to make direct payments to taxpayers under section 26.5(h) of this chapter, is not part of the total county tax levy under ~~IC 6-1.1-21-2(g)~~ **IC 6-10-2-34** and is not subject to IC 6-1.1-20.

(f) The ad valorem property tax levy limits imposed by IC 6-1.1-18.5-3 and IC 20-45-3 do not apply to ad valorem property taxes imposed that are used to offset the effect of paying personal property taxes into an allocation area special fund during the taxable year under subsection (d) or to make direct payments to taxpayers under section 26.5(h) of this chapter. For purposes of computing the ad valorem property tax levy limits imposed under IC 6-1.1-18.5-3 and IC 20-45-3, a taxing unit's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed to offset

the effect of paying personal property taxes into an allocation area special fund under subsection (d) or to make direct payments to taxpayers under section 26.5(h) of this chapter.

(g) Property taxes on personal property that are deposited in the allocation area special fund:

(1) are subject to any pledge of allocated property tax proceeds made by the redevelopment district under section 26(d) of this chapter, including but not limited to any pledge made to owners of outstanding bonds of the redevelopment district of allocated taxes from that area; and

(2) may not be treated as property taxes used to pay interest or principal due on debt under ~~IC 6-1.1-21-2(g)(1)(D)~~.

IC 6-10-2-34(1)(D).

SECTION 178. IC 36-7-15.1-35 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 35. (a) Notwithstanding section 26(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 32 of this chapter, "base assessed value" means the net assessed value of all of the land as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 26(g) of this chapter. However, "base assessed value" does not include the value of real property improvements to the land.

(b) The special fund established under section 26(b) of this chapter for the allocation area for a program adopted under section 32 of this chapter may be used only for purposes related to the accomplishment of the program, including the following:

(1) The construction, rehabilitation, or repair of residential units within the allocation area.

(2) The construction, reconstruction, or repair of infrastructure (such as streets, sidewalks, and sewers) within or serving the allocation area.

(3) The acquisition of real property and interests in real property within the allocation area.

(4) The demolition of real property within the allocation area.

(5) To provide financial assistance to enable individuals and families to purchase or lease residential units within the allocation area. However, financial assistance may be provided only to those individuals and families whose income is at or below the county's median income for individuals and families, respectively.

(6) To provide financial assistance to neighborhood development corporations to permit them to provide financial assistance for the purposes described in subdivision (5).

(7) To provide each taxpayer in the allocation area a credit for property tax replacement as determined under subsections (c) and (d). However, this credit may be provided by the commission only

1 if the city-county legislative body establishes the credit by
 2 ordinance adopted in the year before the year in which the credit
 3 is provided.

4 (c) The maximum credit that may be provided under subsection
 5 (b)(7) to a taxpayer in a taxing district that contains all or part of an
 6 allocation area established for a program adopted under section 32 of
 7 this chapter shall be determined as follows:

8 STEP ONE: Determine that part of the sum of the amounts
 9 described in ~~IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2)~~
 10 ~~through IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2-34(1)(A),**
 11 **IC 6-10-2-34(2), IC 6-10-2-34(3), IC 6-10-2-34(4), and**
 12 **IC 6-10-2-34(5)** that is attributable to the taxing district.

13 STEP TWO: Divide:

14 (A) that part of each county's eligible property tax replacement
 15 amount (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2-14**) for that
 16 year as determined under ~~IC 6-1.1-21-4(a)(1)~~ **IC 6-10-3** that
 17 is attributable to the taxing district; by

18 (B) the amount determined under STEP ONE.

19 STEP THREE: Multiply:

20 (A) the STEP TWO quotient; by

21 (B) the taxpayer's ~~taxes~~ **property tax** (as defined in
 22 ~~IC 6-1.1-21-2~~ **IC 6-10-2-22**) levied in the taxing district
 23 allocated to the allocation fund, including the amount that
 24 would have been allocated but for the credit.

25 (d) Except as provided in subsection (g), the commission may
 26 determine to grant to taxpayers in an allocation area from its allocation
 27 fund a credit under this section, as calculated under subsection (c), by
 28 applying one-half (1/2) of the credit to each installment of ~~taxes~~
 29 **property tax** (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2-22**) that under
 30 IC 6-1.1-22-9 are due and payable in May and November of a year.
 31 Except as provided in subsection (g), one-half (1/2) of the credit shall
 32 be applied to each installment of ~~taxes~~ **property tax** (as defined in
 33 ~~IC 6-1.1-21-2~~ **IC 6-10-2-22**). The commission must provide for the
 34 credit annually by a resolution and must find in the resolution the
 35 following:

36 (1) That the money to be collected and deposited in the allocation
 37 fund, based upon historical collection rates, after granting the
 38 credit will equal the amounts payable for contractual obligations
 39 from the fund, plus ten percent (10%) of those amounts.

40 (2) If bonds payable from the fund are outstanding, that there is
 41 a debt service reserve for the bonds that at least equals the amount
 42 of the credit to be granted.

43 (3) If bonds of a lessor under section 17.1 of this chapter or under
 44 IC 36-1-10 are outstanding and if lease rentals are payable from
 45 the fund, that there is a debt service reserve for those bonds that
 46 at least equals the amount of the credit to be granted.

If the tax increment is insufficient to grant the credit in full, the commission may grant the credit in part, prorated among all taxpayers.

(e) Notwithstanding section 26(b) of this chapter, the special fund established under section 26(b) of this chapter for the allocation area for a program adopted under section 32 of this chapter may only be used to do one (1) or more of the following:

(1) Accomplish one (1) or more of the actions set forth in section 26(b)(2)(A) through 26(b)(2)(H) of this chapter.

(2) Reimburse the consolidated city for expenditures made by the city in order to accomplish the housing program in that allocation area.

The special fund may not be used for operating expenses of the commission.

(f) Notwithstanding section 26(b) of this chapter, the commission shall, relative to the special fund established under section 26(b) of this chapter for an allocation area for a program adopted under section 32 of this chapter, do the following before July 15 of each year:

(1) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary:

(A) to make, when due, principal and interest payments on bonds described in section 26(b)(2) of this chapter;

(B) to pay the amount necessary for other purposes described in section 26(b)(2) of this chapter; and

(C) to reimburse the consolidated city for anticipated expenditures described in subsection (e)(2).

(2) Notify the county auditor of the amount, if any, of excess property taxes that the commission has determined may be paid to the respective taxing units in the manner prescribed in section 26(b)(1) of this chapter.

(g) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20.9-1~~) **IC 6-10-2-15**) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (d) for the ~~taxes property tax~~ (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2-22**) due in installments. The credit shall be applied in the same proportion to each installment of ~~taxes property tax~~ (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2-22**).".

Page 103, between lines 2 and 3, begin a new paragraph and insert:

"SECTION 180. IC 36-7-15.1-56 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 56. (a) As used in this section, "allocation area" has the meaning set forth in section 53

1 of this chapter.

2 (b) As used in this section, "taxing district" has the meaning set
3 forth in IC 6-1.1-1-20.

4 (c) Subject to subsection (e) and except as provided in subsection
5 (h), each taxpayer in an allocation area is entitled to an additional credit
6 for **taxes property tax** (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2-22**) that
7 under IC 6-1.1-22-9 ~~are~~ **is** due and payable in May and November of
8 that year. Except as provided in subsection (h), one-half (1/2) of the
9 credit shall be applied to each installment of **taxes property tax** (as
10 defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2-22**). This credit equals the amount
11 determined under the following STEPS for each taxpayer in a taxing
12 district that contains all or part of the allocation area:

13 STEP ONE: Determine that part of the sum of the amounts under
14 ~~IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3),~~
15 ~~IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2-34(1)(A),**
16 **IC 6-10-2-34(2), IC 6-10-2-34(3), IC 6-10-2-34(4), and**
17 **IC 6-10-2-34(5)** that is attributable to the taxing district.

18 STEP TWO: Divide:

19 (A) that part of each county's eligible property tax replacement
20 amount (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2-14**) for that
21 year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is
22 attributable to the taxing district; by

23 (B) the STEP ONE sum.

24 STEP THREE: Multiply:

25 (A) the STEP TWO quotient; times

26 (B) the total amount of the taxpayer's **taxes property tax** (as
27 defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2-22**) levied in the taxing
28 district that would have been allocated to an allocation fund
29 under section 53 of this chapter had the additional credit
30 described in this section not been given.

31 The additional credit reduces the amount of proceeds allocated to the
32 development district and paid into an allocation fund under section
33 53(b)(2) of this chapter.

34 (d) If the additional credit under subsection (c) is not reduced under
35 subsection (e) or (f), the credit for property tax replacement under
36 ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c)
37 shall be computed on an aggregate basis for all taxpayers in a taxing
38 district that contains all or part of an allocation area. The credit for
39 property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the
40 additional credit under subsection (c) shall be combined on the tax
41 statements sent to each taxpayer.

42 (e) Upon the recommendation of the commission, the excluded city
43 legislative body may, by resolution, provide that the additional credit
44 described in subsection (c):

45 (1) does not apply in a specified allocation area; or

46 (2) is to be reduced by a uniform percentage for all taxpayers in

1 a specified allocation area.

2 (f) Whenever the excluded city legislative body determines that
3 granting the full additional credit under subsection (c) would adversely
4 affect the interests of the holders of bonds or other contractual
5 obligations that are payable from allocated tax proceeds in that
6 allocation area in a way that would create a reasonable expectation that
7 those bonds or other contractual obligations would not be paid when
8 due, the excluded city legislative body must adopt a resolution under
9 subsection (e) to deny the additional credit or reduce it to a level that
10 creates a reasonable expectation that the bonds or other obligations will
11 be paid when due. A resolution adopted under subsection (e) denies or
12 reduces the additional credit for property taxes first due and payable in
13 the allocation area in any year following the year in which the
14 resolution is adopted.

15 (g) A resolution adopted under subsection (e) remains in effect until
16 it is rescinded by the body that originally adopted it. However, a
17 resolution may not be rescinded if the rescission would adversely affect
18 the interests of the holders of bonds or other obligations that are
19 payable from allocated tax proceeds in that allocation area in a way that
20 would create a reasonable expectation that the principal of or interest
21 on the bonds or other obligations would not be paid when due. If a
22 resolution is rescinded and no other resolution is adopted, the
23 additional credit described in subsection (c) applies to property taxes
24 first due and payable in the allocation area in each year following the
25 year in which the resolution is rescinded.

26 (h) This subsection applies to an allocation area only to the extent
27 that the net assessed value of property that is assessed as residential
28 property under the rules of the department of local government finance
29 is not included in the base assessed value. If property tax installments
30 with respect to a homestead (as defined in ~~IC 6-1.1-20-9-1~~)
31 **IC 6-10-2-15**) are due in installments established by the department of
32 local government finance under IC 6-1.1-22-9.5, each taxpayer subject
33 to those installments in an allocation area is entitled to an additional
34 credit under subsection (c) for the **taxes property tax** (as defined in
35 ~~IC 6-1.1-21-2~~) **IC 6-10-2-22**) due in installments. The credit shall be
36 applied in the same proportion to each installment of **taxes property**
37 **tax** (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2-22**).".

38 Page 103, between lines 20 and 21, begin a new paragraph and
39 insert:

40 "SECTION 181. IC 36-7-30-25, AS AMENDED BY
41 P.L.154-2006, SECTION 79, IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 25. (a) The
43 following definitions apply throughout this section:

44 (1) "Allocation area" means that part of a military base reuse area
45 to which an allocation provision of a declaratory resolution
46 adopted under section 10 of this chapter refers for purposes of

1 distribution and allocation of property taxes.

2 (2) "Base assessed value" means:

3 (A) the net assessed value of all the property as finally
4 determined for the assessment date immediately preceding the
5 adoption date of the allocation provision of the declaratory
6 resolution, as adjusted under subsection (h); plus

7 (B) to the extent that it is not included in clause (A) or (C), the
8 net assessed value of any and all parcels or classes of parcels
9 identified as part of the base assessed value in the declaratory
10 resolution or an amendment thereto, as finally determined for
11 any subsequent assessment date; plus

12 (C) to the extent that it is not included in clause (A) or (B), the
13 net assessed value of property that is assessed as residential
14 property under the rules of the department of local government
15 finance, as finally determined for any assessment date after the
16 effective date of the allocation provision.

17 Clause (C) applies only to allocation areas established in a
18 military reuse area after June 30, 1997, and to the part of an
19 allocation area that was established before June 30, 1997, and that
20 is added to an existing allocation area after June 30, 1997.

21 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real
22 property.

23 (b) A declaratory resolution adopted under section 10 of this chapter
24 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory
25 resolutions adopted under IC 36-7-14-15 may include a provision with
26 respect to the allocation and distribution of property taxes for the
27 purposes and in the manner provided in this section. A declaratory
28 resolution previously adopted may include an allocation provision by
29 the amendment of that declaratory resolution in accordance with the
30 procedures set forth in section 13 of this chapter. The allocation
31 provision may apply to all or part of the military base reuse area. The
32 allocation provision must require that any property taxes subsequently
33 levied by or for the benefit of any public body entitled to a distribution
34 of property taxes on taxable property in the allocation area be allocated
35 and distributed as follows:

36 (1) Except as otherwise provided in this section, the proceeds of
37 the taxes attributable to the lesser of:

38 (A) the assessed value of the property for the assessment date
39 with respect to which the allocation and distribution is made;

40 or

41 (B) the base assessed value;

42 shall be allocated to and, when collected, paid into the funds of
43 the respective taxing units.

44 (2) Except as otherwise provided in this section, property tax
45 proceeds in excess of those described in subdivision (1) shall be
46 allocated to the military base reuse district and, when collected,

1 paid into an allocation fund for that allocation area that may be
 2 used by the military base reuse district and only to do one (1) or
 3 more of the following:

4 (A) Pay the principal of and interest and redemption premium
 5 on any obligations incurred by the military base reuse district
 6 or any other entity for the purpose of financing or refinancing
 7 military base reuse activities in or directly serving or
 8 benefiting that allocation area.

9 (B) Establish, augment, or restore the debt service reserve for
 10 bonds payable solely or in part from allocated tax proceeds in
 11 that allocation area or from other revenues of the reuse
 12 authority, including lease rental revenues.

13 (C) Make payments on leases payable solely or in part from
 14 allocated tax proceeds in that allocation area.

15 (D) Reimburse any other governmental body for expenditures
 16 made for local public improvements (or structures) in or
 17 directly serving or benefiting that allocation area.

18 (E) Pay all or a part of a property tax replacement credit to
 19 taxpayers in an allocation area as determined by the reuse
 20 authority. This credit equals the amount determined under the
 21 following STEPS for each taxpayer in a taxing district (as
 22 defined in IC 6-1.1-1-20) that contains all or part of the
 23 allocation area:

24 STEP ONE: Determine that part of the sum of the amounts
 25 under ~~IC 6-1.1-21-2(g)(1)(A)~~, ~~IC 6-1.1-21-2(g)(2)~~,
 26 ~~IC 6-1.1-21-2(g)(3)~~, ~~IC 6-1.1-21-2(g)(4)~~, and
 27 ~~IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2-34(1)(A), IC 6-10-2-34(2),**
 28 **IC 6-10-2-34(3), IC 6-10-2-34(4), and IC 6-10-2-34(5)** that
 29 is attributable to the taxing district.

30 STEP TWO: Divide:

31 (i) that part of each county's eligible property tax
 32 replacement amount (as defined in ~~IC 6-1.1-21-2~~)
 33 **IC 6-10-2-14**) for that year as determined under
 34 ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing
 35 district; by

36 (ii) the STEP ONE sum.

37 STEP THREE: Multiply:

38 (i) the STEP TWO quotient; times

39 (ii) the total amount of the taxpayer's **property taxes** (~~as~~
 40 ~~defined in IC 6-1.1-21-2~~) levied in the taxing district that
 41 have been allocated during that year to an allocation fund
 42 under this section.

43 If not all the taxpayers in an allocation area receive the credit
 44 in full, each taxpayer in the allocation area is entitled to
 45 receive the same proportion of the credit. A taxpayer may not
 46 receive a credit under this section and a credit under section

1 27 of this chapter in the same year.

2 (F) Pay expenses incurred by the reuse authority for local
3 public improvements or structures that were in the allocation
4 area or directly serving or benefiting the allocation area.

5 (G) Reimburse public and private entities for expenses
6 incurred in training employees of industrial facilities that are
7 located:

8 (i) in the allocation area; and

9 (ii) on a parcel of real property that has been classified as
10 industrial property under the rules of the department of local
11 government finance.

12 However, the total amount of money spent for this purpose in
13 any year may not exceed the total amount of money in the
14 allocation fund that is attributable to property taxes paid by the
15 industrial facilities described in this clause. The
16 reimbursements under this clause must be made not more than
17 three (3) years after the date on which the investments that are
18 the basis for the increment financing are made.

19 The allocation fund may not be used for operating expenses of the
20 reuse authority.

21 (3) Except as provided in subsection (g), before July 15 of each
22 year the reuse authority shall do the following:

23 (A) Determine the amount, if any, by which property taxes
24 payable to the allocation fund in the following year will exceed
25 the amount of property taxes necessary to make, when due,
26 principal and interest payments on bonds described in
27 subdivision (2) plus the amount necessary for other purposes
28 described in subdivision (2).

29 (B) Notify the county auditor of the amount, if any, of the
30 amount of excess property taxes that the reuse authority has
31 determined may be paid to the respective taxing units in the
32 manner prescribed in subdivision (1). The reuse authority may
33 not authorize a payment to the respective taxing units under
34 this subdivision if to do so would endanger the interest of the
35 holders of bonds described in subdivision (2) or lessors under
36 section 19 of this chapter. Property taxes received by a taxing
37 unit under this subdivision are eligible for the property tax
38 replacement credit provided under ~~IC 6-11-21~~ **IC 6-10-3**.

39 (c) For the purpose of allocating taxes levied by or for any taxing
40 unit or units, the assessed value of taxable property in a territory in the
41 allocation area that is annexed by a taxing unit after the effective date
42 of the allocation provision of the declaratory resolution is the lesser of:

43 (1) the assessed value of the property for the assessment date with
44 respect to which the allocation and distribution is made; or

45 (2) the base assessed value.

46 (d) Property tax proceeds allocable to the military base reuse district

1 under subsection (b)(2) may, subject to subsection (b)(3), be
2 irrevocably pledged by the military base reuse district for payment as
3 set forth in subsection (b)(2).

4 (e) Notwithstanding any other law, each assessor shall, upon
5 petition of the reuse authority, reassess the taxable property situated
6 upon or in or added to the allocation area, effective on the next
7 assessment date after the petition.

8 (f) Notwithstanding any other law, the assessed value of all taxable
9 property in the allocation area, for purposes of tax limitation, property
10 tax replacement, and the making of the budget, tax rate, and tax levy
11 for each political subdivision in which the property is located is the
12 lesser of:

13 (1) the assessed value of the property as valued without regard to
14 this section; or

15 (2) the base assessed value.

16 (g) If any part of the allocation area is located in an enterprise zone
17 created under IC 5-28-15, the unit that designated the allocation area
18 shall create funds as specified in this subsection. A unit that has
19 obligations, bonds, or leases payable from allocated tax proceeds under
20 subsection (b)(2) shall establish an allocation fund for the purposes
21 specified in subsection (b)(2) and a special zone fund. Such a unit
22 shall, until the end of the enterprise zone phase out period, deposit each
23 year in the special zone fund any amount in the allocation fund derived
24 from property tax proceeds in excess of those described in subsection
25 (b)(1) from property located in the enterprise zone that exceeds the
26 amount sufficient for the purposes specified in subsection (b)(2) for the
27 year. The amount sufficient for purposes specified in subsection (b)(2)
28 for the year shall be determined based on the pro rata part of such
29 current property tax proceeds from the part of the enterprise zone that
30 is within the allocation area as compared to all such current property
31 tax proceeds derived from the allocation area. A unit that does not have
32 obligations, bonds, or leases payable from allocated tax proceeds under
33 subsection (b)(2) shall establish a special zone fund and deposit all the
34 property tax proceeds in excess of those described in subsection (b)(1)
35 that are derived from property in the enterprise zone in the fund. The
36 unit that creates the special zone fund shall use the fund (based on the
37 recommendations of the urban enterprise association) for programs in
38 job training, job enrichment, and basic skill development that are
39 designed to benefit residents and employers in the enterprise zone or
40 other purposes specified in subsection (b)(2), except that where
41 reference is made in subsection (b)(2) to allocation area it shall refer
42 for purposes of payments from the special zone fund only to that part
43 of the allocation area that is also located in the enterprise zone. The
44 programs shall reserve at least one-half (1/2) of their enrollment in any
45 session for residents of the enterprise zone.

46 (h) After each general reassessment under IC 6-1.1-4, the

department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the military base reuse district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the military base reuse district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the military base reuse district under subsection (b)(2) than would otherwise have been received if the general reassessment or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 182. IC 36-7-30-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 27. (a) As used in this section, "allocation area" has the meaning set forth in section 25 of this chapter.

(b) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(c) Subject to subsection (e) and except as provided in subsection (h), each taxpayer in an allocation area is entitled to an additional credit for **taxes property tax** (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2-22**) that under IC 6-1.1-22-9 ~~are~~ is due and payable in May and November of that year. Except as provided in subsection (h), one-half (1/2) of the credit shall be applied to each installment of **taxes property tax** (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2-22**). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2-34(1)(A), IC 6-10-2-34(2), IC 6-10-2-34(3), IC 6-10-2-34(4), and IC 6-10-2-34(5)** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2-14**) for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the total amount of the taxpayer's **taxes property tax** (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2-22**) levied in the taxing district that would have been allocated to an allocation fund

1 under section 25 of this chapter had the additional credit
2 described in this section not been given.

3 The additional credit reduces the amount of proceeds allocated to the
4 military base reuse district and paid into an allocation fund under
5 section 25(b)(2) of this chapter.

6 (d) If the additional credit under subsection (c) is not reduced under
7 subsection (e) or (f), the credit for property tax replacement under
8 ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c)
9 shall be computed on an aggregate basis for all taxpayers in a taxing
10 district that contains all or part of an allocation area. The credit for
11 property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the
12 additional credit under subsection (c) shall be combined on the tax
13 statements sent to each taxpayer.

14 (e) Upon the recommendation of the reuse authority, the municipal
15 legislative body (in the case of a reuse authority established by a
16 municipality) or the county executive (in the case of a reuse authority
17 established by a county) may by resolution provide that the additional
18 credit described in subsection (c):

- 19 (1) does not apply in a specified allocation area; or
- 20 (2) is to be reduced by a uniform percentage for all taxpayers in
21 a specified allocation area.

22 (f) If the municipal legislative body or county executive determines
23 that granting the full additional credit under subsection (c) would
24 adversely affect the interests of the holders of bonds or other
25 contractual obligations that are payable from allocated tax proceeds in
26 that allocation area in a way that would create a reasonable expectation
27 that those bonds or other contractual obligations would not be paid
28 when due, the municipal legislative body or county executive must
29 adopt a resolution under subsection (e) to deny the additional credit or
30 reduce the credit to a level that creates a reasonable expectation that
31 the bonds or other obligations will be paid when due. A resolution
32 adopted under subsection (e) denies or reduces the additional credit for
33 property taxes first due and payable in the allocation area in any year
34 following the year in which the resolution is adopted.

35 (g) A resolution adopted under subsection (e) remains in effect until
36 rescinded by the body that originally adopted the resolution. However,
37 a resolution may not be rescinded if the rescission would adversely
38 affect the interests of the holders of bonds or other obligations that are
39 payable from allocated tax proceeds in that allocation area in a way that
40 would create a reasonable expectation that the principal of or interest
41 on the bonds or other obligations would not be paid when due. If a
42 resolution is rescinded and no other resolution is adopted, the
43 additional credit described in subsection (c) applies to property taxes
44 first due and payable in the allocation area in each year following the
45 year in which the resolution is rescinded.

46 (h) This subsection applies to an allocation area only to the extent

that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20-9-1~~) **IC 6-10-2-15**) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (c) for the ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2-22**) due in installments. The credit shall be applied in the same proportion to each installment of ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2-22**).

SECTION 183. IC 36-7-30.5-30, AS AMENDED BY P.L.154-2006, SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 30. (a) The following definitions apply throughout this section:

(1) "Allocation area" means that part of a military base development area to which an allocation provision of a declaratory resolution adopted under section 16 of this chapter refers for purposes of distribution and allocation of property taxes.

(2) "Base assessed value" means:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the adoption date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A) or (C), the net assessed value of any and all parcels or classes of parcels identified as part of the base assessed value in the declaratory resolution or an amendment to the declaratory resolution, as finally determined for any subsequent assessment date; plus

(C) to the extent that it is not included in clause (A) or (B), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) "Property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A declaratory resolution adopted under section 16 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution in accordance with the procedures set forth in section 18 of this chapter. The allocation provision may apply to all or part of the military base development area. The allocation provision must require that any property taxes

subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the development authority and, when collected, paid into an allocation fund for that allocation area that may be used by the development authority and only to do one (1) or more of the following:

(A) Pay the principal of and interest and redemption premium on any obligations incurred by the development authority or any other entity for the purpose of financing or refinancing military base development or reuse activities in or directly serving or benefitting that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the development authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefitting that allocation area.

(E) Pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the development authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2-34(1)(A), IC 6-10-2-34(2), IC 6-10-2-34(3), IC 6-10-2-34(4), and IC 6-10-2-34(5)** that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2~~)

IC 6-10-2-14) for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; by

(ii) the total amount of the taxpayer's ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2-22**) levied in the taxing district that ~~have~~ **has** been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 32 of this chapter in the same year.

(F) Pay expenses incurred by the development authority for local public improvements or structures that were in the allocation area or directly serving or benefitting the allocation area.

(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the development authority.

(3) Except as provided in subsection (g), before July 15 of each year the development authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the appropriate county auditor of the amount, if any, of the amount of excess property taxes that the development authority has determined may be paid to the respective taxing

units in the manner prescribed in subdivision (1). The development authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 24 of this chapter. Property taxes received by a taxing unit under this subdivision are eligible for the property tax replacement credit provided under ~~IC 6-1.1-21~~. **IC 6-10-3.**

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by a taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the military base development district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the military base development district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the development authority, reassess the taxable property situated upon or in or added to the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and the making of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the development authority shall create funds as specified in this subsection. A development authority that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. The development authority shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all

such current property tax proceeds derived from the allocation area. A development authority that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) that are derived from property in the enterprise zone in the fund. The development authority that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or for other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to an allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the military base development district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the military base development district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the military base development district under subsection (b)(2) than would otherwise have been received if the general reassessment or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 184. IC 36-7-30.5-32, AS ADDED BY P.L.203-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 32. (a) As used in this section, "allocation area" has the meaning set forth in section 30 of this chapter.

(b) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(c) Subject to subsection (e) and except as provided in subsection (h), each taxpayer in an allocation area is entitled to an additional credit for **taxes property tax** (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2-22**) that under IC 6-1.1-22-9 ~~are~~ **is** due and payable in May and November of that year. Except as provided in subsection (h), one-half (1/2) of the credit shall be applied to each installment of **taxes property tax** (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2-22**). This credit equals the amount

determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A)~~, ~~IC 6-1.1-21-2(g)(2)~~, ~~IC 6-1.1-21-2(g)(3)~~, ~~IC 6-1.1-21-2(g)(4)~~, and ~~IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2-34(1)(A), IC 6-10-2-34(2), IC 6-10-2-34(3), IC 6-10-2-34(4), and IC 6-10-2-34(5)** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2-14** for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's **taxes property tax** (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2-22**) levied in the taxing district that would have been allocated to an allocation fund under section 30 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the military base development district and paid into an allocation fund under section 30(b)(2) of this chapter.

(d) If the additional credit under subsection (c) is not reduced under subsection (e) or (f), the credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. The credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c) shall be combined on the tax statements sent to each taxpayer.

(e) Upon the recommendation of the development authority, the municipal legislative body of an affected municipality or the county executive of an affected county may by resolution provide that the additional credit described in subsection (c):

(1) does not apply in a specified allocation area; or

(2) is to be reduced by a uniform percentage for all taxpayers in a specified allocation area.

(f) If the municipal legislative body or county executive determines that granting the full additional credit under subsection (c) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the municipal legislative body or county executive must adopt a resolution under subsection (e) to deny the additional credit or

1 reduce the credit to a level that creates a reasonable expectation that
 2 the bonds or other obligations will be paid when due. A resolution
 3 adopted under subsection (e) denies or reduces the additional credit for
 4 property taxes first due and payable in the allocation area in any year
 5 following the year in which the resolution is adopted.

6 (g) A resolution adopted under subsection (e) remains in effect until
 7 rescinded by the body that originally adopted the resolution. However,
 8 a resolution may not be rescinded if the rescission would adversely
 9 affect the interests of the holders of bonds or other obligations that are
 10 payable from allocated tax proceeds in that allocation area in a way that
 11 would create a reasonable expectation that the principal of or interest
 12 on the bonds or other obligations would not be paid when due. If a
 13 resolution is rescinded and no other resolution is adopted, the
 14 additional credit described in subsection (c) applies to property taxes
 15 first due and payable in the allocation area in each year following the
 16 year in which the resolution is rescinded.

17 (h) This subsection applies to an allocation area only to the extent
 18 that the net assessed value of property that is assessed as residential
 19 property under the rules of the department of local government finance
 20 is not included in the base assessed value. If property tax installments
 21 with respect to a homestead (as defined in ~~IC 6-1.1-20.9-1~~)
 22 **IC 6-10-2-15**) are due in installments established by the department of
 23 local government finance under IC 6-1.1-22-9.5, each taxpayer subject
 24 to those installments in an allocation area is entitled to an additional
 25 credit under subsection (c) for the ~~taxes~~ **property tax** (as defined in
 26 ~~IC 6-1.1-21-2~~) **IC 6-10-2-22**) due in installments. The credit shall be
 27 applied in the same proportion to each installment of ~~taxes~~ **property**
 28 **tax** (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2-22**).

29 SECTION 185. IC 36-7-32-18 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 18. (a) A
 31 redevelopment commission may, by resolution, provide that each
 32 taxpayer in a certified technology park that has been designated as an
 33 allocation area is entitled to an additional credit for ~~taxes~~ **property tax**
 34 (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2-22**) that, under IC 6-1.1-22-9,
 35 ~~are~~ **is** due and payable in May and November of that year. One-half
 36 (1/2) of the credit shall be applied to each installment of property ~~taxes~~.
 37 **tax**. This credit equals the amount determined under the following
 38 STEPS for each taxpayer in a taxing district that contains all or part of
 39 the certified technology park:

40 STEP ONE: Determine that part of the sum of the amounts under
 41 ~~IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through~~
 42 ~~IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2-34(1)(A), IC 6-10-2-34(2),**
 43 **IC 6-10-2-34(3), IC 6-10-2-34(4), and IC 6-10-2-34(5)** that is
 44 attributable to the taxing district.

45 STEP TWO: Divide:

46 (A) that part of the county's total eligible property tax

1 replacement amount (as defined in ~~IC 6-1.1-21-2~~)
 2 **IC 6-10-2-14** for that year as determined under ~~IC 6-1.1-21-4~~
 3 **IC 6-10-3** that is attributable to the taxing district; by

4 (B) the STEP ONE sum.

5 STEP THREE: Multiply:

6 (A) the STEP TWO quotient; by

7 (B) the total amount of the taxpayer's **taxes property tax** (as
 8 defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2-22** levied in the taxing
 9 district that would have been allocated to the certified
 10 technology park fund under section 17 of this chapter had the
 11 additional credit described in this section not been given.

12 The additional credit reduces the amount of proceeds allocated and
 13 paid into the certified technology park fund under section 17 of this
 14 chapter.

15 (b) The additional credit under subsection (a) shall be:

16 (1) computed on an aggregate basis of all taxpayers in a taxing
 17 district that contains all or part of a certified technology park; and

18 (2) combined on the tax statement sent to each taxpayer.

19 (c) Concurrently with the mailing or other delivery of the tax
 20 statement or any corrected tax statement to each taxpayer, as required
 21 by IC 6-1.1-22-8(a), each county treasurer shall for each tax statement
 22 also deliver to each taxpayer in a certified technology park who is
 23 entitled to the additional credit under subsection (a) a notice of
 24 additional credit. The actual dollar amount of the credit, the taxpayer's
 25 name and address, and the tax statement to which the credit applies
 26 must be stated on the notice.

27 (d) Notwithstanding any other law, a taxpayer in a certified
 28 technology park is not entitled to a credit for property tax replacement
 29 under ~~IC 6-1.1-21-5~~ **IC 6-10-3**."

30 Page 120, between lines 24 and 25, begin a new paragraph and
 31 insert:

32 "SECTION 190. THE FOLLOWING ARE REPEALED
 33 [EFFECTIVE JANUARY 1, 2008]: IC 6-1.1-20.9; IC 6-1.1-21;
 34 IC 6-3.5-6-13; IC 12-13-8; IC 12-13-9; IC 12-19-5; IC 12-19-7;
 35 IC 12-19-7.5; IC 16-35-3; IC 16-35-4; IC 31-37-24-13; IC 33-38-4-5;
 36 IC 33-38-5-2; IC 33-38-5-3; IC 33-41-2-7; IC 33-41-2-8."

37 Page 120, delete lines 25 through 42.

38 Delete pages 121 through 122.

39 Page 123, delete lines 1 through 8.

40 Page 123, delete lines 22 through 25.

41 Page 123, line 29, delete "and IC 6-1.1-18-6.1, both" and insert ",".

42 Page 123, between lines 37 and 38, begin a new paragraph and
 43 insert:

44 "SECTION 197. [EFFECTIVE JANUARY 1, 2008] **(a) Subject to**
 45 **this SECTION, before January 10, 2008, each county shall transfer**
 46 **all money contained in the following funds of the county after**

1 money in the county family and children's fund is used under
 2 subsection (b) to reduce obligations of the county and after any
 3 transfer of money from the county family and children's fund
 4 under subsection (c) to the state child welfare fund established by
 5 IC 31-25-2-20, as added by this act:

- 6 (1) Family and children's fund.
- 7 (2) County medical assistance to wards fund.
- 8 (3) Children's psychiatric residential treatment services fund.
- 9 (4) Children with special health care needs county fund.

10 (b) Each county shall use money deposited in the county family
 11 and children's fund from:

- 12 (1) property taxes imposed for an assessment date before
- 13 January 16, 2007;
- 14 (2) the proceeds of bonds issued or loans taken out under
- 15 IC 12-19-5 or IC 12-19-7.5, both as repealed by this act, or a
- 16 predecessor law to pay an obligation related to child services
- 17 provided before January 1, 2008;
- 18 (3) the:
 - 19 (A) financial institutions tax (IC 6-5.5);
 - 20 (B) motor vehicle excise tax (IC 6-6-5);
 - 21 (C) commercial vehicle excise tax (IC 6-6-5.5);
 - 22 (D) boat excise tax (IC 6-6-11); and
 - 23 (E) aircraft license excise tax (IC 6-6-6.5);

24 that are distributed to the county as a result of the county's
 25 share of property taxes imposed before January 1, 2008, for
 26 the fund; and

- 27 (4) grants-in-aid, fees collected from a parent, guardian, or
- 28 custodian of a child, and other money attributable to child
- 29 services provided before January 1, 2008;

30 to reduce the obligation of the county to pay for expenditures for
 31 child services and any other obligations that were incurred and are
 32 payable before January 1, 2008.

33 (c) After a county uses money from the county family and
 34 children's fund as directed in subsection (b), the county shall
 35 transfer money that remains in the fund to the county's debt
 36 service fund or another sinking fund to the extent that the money
 37 is needed to repay in 2008 or a later year the principal and interest
 38 on bonds issued under IC 12-19-7-31, as repealed by this act. To
 39 the extent that the money transferred under this subsection is
 40 insufficient to repay the principal and interest, the county shall add
 41 to the tax duplicate of the county an annual levy sufficient to pay
 42 the principal and interest when due. The county may issue bonds
 43 under IC 36-2-6-18 to pay or refund the obligation.

44 (d) Each county shall use money deposited in the children's
 45 psychiatric residential treatment services fund from:

- 46 (1) property taxes imposed for an assessment date before
- 47 January 16, 2007;

(2) the proceeds of bonds issued or loans taken out under IC 12-19-5 , IC 12-19-7, IC 12-19-7.5, all as repealed by this act, or a predecessor law to pay an obligation related to children's psychiatric residential treatment services provided before January 1, 2008;

(3) the:

(A) financial institutions tax (IC 6-5.5);

(B) motor vehicle excise tax (IC 6-6-5);

(C) commercial vehicle excise tax (IC 6-6-5.5);

(D) boat excise tax (IC 6-6-11); and

(E) aircraft license excise tax (IC 6-6-6.5);

that are distributed to the county as a result of the county's share of property taxes imposed before January 1, 2008, for the fund; and

(4) grants-in-aid, fees collected from a parent, guardian, or custodian of a child, and other money attributable to children's psychiatric residential treatment services provided before January 1, 2008;

to reduce the obligation of the county to pay for expenditures for children's psychiatric residential treatment services and any other obligations that were incurred and are payable before January 1, 2008.

(e) After a county uses money from the county children's psychiatric residential treatment services fund as directed in subsection (d), the county shall transfer money that remains in the fund to the county's debt service fund or another sinking fund to the extent that the money is needed to repay in 2008 or a later year the principal and interest on bonds issued under IC 12-19-7.5-30, as repealed by this act. To the extent that the money transferred under this subsection is insufficient to repay the principal and interest, the county shall add to the tax duplicate of the county an annual levy sufficient to pay the principal and interest when due. The county may issue bonds under IC 36-2-6-18 to pay or refund the obligation.

SECTION 198. [EFFECTIVE JANUARY 1, 2008] (a) Any contract for services described in IC 31-25-2-7, as amended by this act, that was entered into before January 1, 2008, by a county in compliance with the law governing the county and with the approval of the department of child services shall be treated after December 31, 2007, as a contract of the department of child services.

(b) Any property related to a service described in IC 31-25-2-7, as amended by this act, that is transferred to the state by this act, shall be treated after December 31, 2007, as the property of the department of child services.

(c) On January 1, 2008, the balance of each county's county family and children's trust clearance fund becomes part of the

1 family and children's trust clearance fund established under
 2 IC 12-19-1-16, as amended by this act. Any reference in a county
 3 or a county office in a document related to money in a county
 4 family and children's trust fund shall be treated after December
 5 31, 2007, as a reference to the department of child services. Any
 6 reference in a document related to a county family and children's
 7 trust fund shall be treated after December 31, 2007, as a reference
 8 to the family and children's trust clearance fund established by
 9 IC 12-19-1-16, as amended by this act. Not later than January 10,
 10 2008, the county auditor shall transfer the balance of the county's
 11 county family and children's trust clearance fund to the
 12 department of child services for deposit in the family and
 13 children's trust clearance fund established under IC 12-19-1-16, as
 14 amended by this act. The money transferred under this subsection
 15 is subject to the obligations of the county family and children's
 16 trust clearance fund from which the money is transferred and the
 17 restrictions on any gifts or grants that apply to the money being
 18 transferred.

19 (d) The department of child services may adopt temporary rules
 20 in the manner provided for the adoption of emergency rules under
 21 IC 4-22-2-37.1 to implement this SECTION. A temporary rule
 22 adopted under this subsection takes effect in the same manner as
 23 an emergency rule adopted under IC 4-22-2-37.1. Notwithstanding
 24 IC 4-22-2-37.1, a temporary rule adopted under this subsection
 25 expires on the earliest of the following:

- 26 (1) The date specified in the temporary rule.
- 27 (2) The date that another temporary rule adopted under this
- 28 subsection amends, repeals, or supersedes the previously
- 29 adopted temporary rule.
- 30 (3) The date that a permanent rule adopted under IC 4-22-2
- 31 amends, repeals, or supersedes the previously adopted
- 32 temporary rule.
- 33 (4) January 1, 2009.

34 (e) The power of a county to impose an ad valorem property tax
 35 for the following funds is terminated on December 31, 2007:

- 36 (1) Family and children's fund.
- 37 (2) County medical assistance to wards fund.
- 38 (3) Children's psychiatric residential treatment services fund.
- 39 (4) Children with special health care needs county fund.

40 SECTION 199. [EFFECTIVE JULY 1, 2007] (a) The department
 41 of local government finance shall reduce the property tax levy
 42 limits and property tax rate limits that apply to a county to reflect
 43 the elimination of a county's responsibility for court related
 44 expenditures and the transfer of those responsibilities to the state.

45 (b) The responsibility for the payment of court related
 46 expenditures, as described in the 2004 Indiana Judicial Services
 47 Report, Volume III, prepared by the division of state court

administration of the supreme court, is transferred to the division of state court administration of the supreme court, beginning January 1, 2008. If a county increased the salary of a judge under IC 36-2-5-14 above the minimum salary established by statute, the state shall assume the responsibility for continuing the payment of that component of the judge's salary through the end of the judge's current term as a judge. The additional compensation terminates on the earlier of the date that:

(1) the judge's term expires; or

(2) there is a vacancy in the judicial office held by the judge.

The supreme court shall submit the initial consolidated budget for court expenditures under IC 33-23-15, as added by this act, for the period beginning January 1, 2008, and ending June 30, 2008, in the manner and on the schedule determined by the budget agency. The consolidated budget shall be the basis for court related expenditures under IC 33-23-15, as added by this act, for the period beginning January 1, 2008, and ending June 30, 2008. The supreme court shall submit the initial consolidated budget for court expenditures under IC 33-23-15, as added by this act, for the period beginning July 1, 2008, and ending June 30, 2010, in the same manner and on the same schedule as the supreme court submits the remainder of its budget. The state board of accounts and the department of local government finance shall assist counties and the supreme court in transferring responsibility for the payment of court expenditures under IC 33-23-15, as added by this act, to the supreme court, division of state court administration. The supreme court, with the approval of the budget agency, may enter into agreements with a county auditor or county treasurer, or both, of any county to provide for an orderly transition of payment responsibilities from the county to the state.

(c) Notwithstanding the January 1, 2008, effective date of IC 6-10 and IC 33-23-15, both as added by this act, county tax levies, tax rates, and budgets adopted in 2007 for 2008 must reflect the changes made by this act.

(d) Money appropriated by P.L.246-2005 for the period beginning July 1, 2007, and ending June 30, 2008, to the property tax replacement fund board for distributions to counties to replace revenue lost as a result of the granting of homestead credits and property tax replacement credits may be used to:

(1) make distributions to counties under IC 6-10-7, as added by this act; and

(2) pay court expenditures under IC 33-23-15, as added by this act;

beginning July 1, 2007, and ending June 30, 2008. There is appropriated any additional amounts necessary to the auditor of state from the state general fund to make the distributions to

1 **counties required under IC 6-10-7, as added by this act. There is**
2 **appropriated any additional amounts necessary to the supreme**
3 **court from the state general fund for court expenditures under**
4 **IC 33-23-15, as added by this act.**

5 **(e) IC 6-10, as added by this act, applies to taxable years**
6 **beginning after December 31, 2007.**

7 **SECTION 200. [EFFECTIVE JANUARY 1, 2008] (a) The**
8 **legislative services agency shall prepare legislation for introduction**
9 **in the 2009 regular session of the general assembly to bring the**
10 **statutes into conformity with this act.**

11 **(b) This SECTION expires July 1, 2009."**

12 Renumber all SECTIONS consecutively.

(Reference is to HB 1007 as printed February 8, 2007.)

Representative Turner